AGRIWATCH

Wheat Daily Report
04th June 2014

Wheat Domestic Fundamentals:

- With the latest trade deal struck between Pakistan and Ukraine/Russia at $291.50 per tonne C&F for August shipment hints an opportunity for Indian exporters too to increase volume of export.Indian wheat is currently quoted at $280/282 per tonne.However,if prices in domestic market improve,export opportunity may diminish as cheaper availability in black sea region may hamper Indian competitiveness in the global market.There is a buzz in the market that buyers from Pakistan have shown interests for another 2.5 lakh tonne wheat for Sept-Oct delivery.Buyers have offered $286 per tonne for the same . Indian exporters can seek opportunity in Pakistan as wheat in Pakistan is quite higher.
- Private buyers are engaged in restricted buying and supply continues only to needy private millers. Export demand too is not very encouraging at this point of time as higher global production estimates from various reputed agencies make global wheat price outlook bearish in the weeks ahead.
- Black Sea Region crop is due in July, followed by Australia in October. Demand from major importers is likely to remain steady. Besides, bumper corn production estimate also remain price limiting factors for wheat as both the commodities are used for animal feed at large scale.
- Downward movement on CBOT continues to pressurize Indian wheat export, CBOT July contract is now hovering at USD 234 and market observers expect more dip in the near term. Nearby month on CBOT shows its first resistance at USD 217.At present USA Fob is at USD 255-265/tonne and Indian Fob at USD 280-285/tonne and if the difference continue to widen opportunity for Indian wheat in global market would turn blemish. Besides, Indian wheat price starts firming up July onward and it is termed as negative for Indian wheat exporters.
- Wheat (milling grade) price in Delhi extended its loss and more dip is expected in the weeks ahead. Rake loading from Rajasthan to Kottam continues at Rs 1900 per quintal. For Bangalore delivered price has been quoted at 1880 per quintal. Export through private trade continues. However, July onward volume may decrease due to higher domestic price. Traders expect market to move up in July and global market would dip from current level.

International Market Update:

- **According to the International Grains Council**, world production is projected to fall by 2% to 694m t in 2014/15 with average yields retreating from last season's unusually high levels
- Philippines animal feed makers have purchased 105,650 tonnes of feed wheat at USD 266.75/tonne (c&f) for July/August shipment. The wheat may be sourced from the Black Sea region or European Union as FoB prices will be more competitive from other exporting countries.
- Indonesia has bought around 125000 tonnes of wheat from Russia at USD 290-295/tonne (c&f) for shipment between mid-July and mid-August. That compares with a price of $305 being quoted for Indian wheat and around $320 to $330 a tonne offered for U.S and Australia for the same period of time.As FoB quotes of Russia remains competitive than other major wheat exporting countries many more deals are expected to be made.
- Crop from Black Sea Region, Russia-Ukraine is due in July. Recent rains in US wheat growing belt have improved the production prospects. The droughty southern Plains (US) received much needed rainfall before the weekend, which could significantly boost winter wheat harvest prospects. Discouraging export demand for US wheat signals weak global market fundamentals.

Domestic market Outlook:

Cash wheat market is likely to trade steady to slightly weak on lower demand side and higher supply.

NCDEX Wheat Futures									Date:03:06:2014
Contract	**+/-**	**Open**	**High**	**Low**	**Close**	**Volume**	**Change**	**OI**	**Change**
Jun-14	-7	1516	1517	1507	1514	1,540	-510	9,290	-240
July-14	-6	1540	1541	1534	1539	1,470	-1,390	7,540	200
Aug-14	-10	1561	1561	1557	1560	1,050	80	1,890	190

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Spread	May-14	june-14	july-14	Aug-14
Spot	-9			
Jun-14		25		
July-14			21	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	2.6.2014	**2.6.2014**	**2.6.2014**	**2.6.2014**
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5107	0	5107	5107
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 02.06.14 (USD/T)							
CONTRACT MONTH	**02 June 14**	**Week ago (23 May 2014)**	**1 Month ago(01 May 14)**	**3 Month ago(03 Mar 14)**	**6 Month ago(02 Dec 13)**	**1 Year ago(03 June 13)**	**% Change over previous year**
14-May	228.06	239.73	259.84	233.57	243.77	280.97	**-18.83**
14-Jul	232.10	243.86	263.06	236.33	246.53	283.54	**-18.14**
14-Sept	240.37	250.66	268.11	240.74	250.20	286.02	**-15.96**
14-Dec	246.89	256.90	2844.32	243.40	252.40	288.32	**-14.37**
15-Mar	250.20	259.94	274.54	244.23	252.13	289.24	**-13.50**
15-May	251.85	261.04	270.13	241.29	256.17	279.32	**-9.83**

Wheat Daily Prices and Arrivals on 3.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6/3/2014	**6/2/2014**	
New Delhi	Lawrence Road	Mill Delivery	1505	1510	**-5**
	Narella	Mill Quality(Loose)	1490	1485	**5**
	Nazafgarh	Mill Quality(Loose)	1460	1475	**-15**
Gujarat	Rajkot	Mill Delivery	1600	1600	**Unch**

	Ahmedabad	Mill Delivery	1650	1650	Unch
	Surat	Mill Delivery	1665	1665	Unch
Madhya Pradesh	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1525	1520	5
Rajasthan	Kota	Mill Quality(Loose)	1430	1450	-20
		Mill Delivery	1530	1525	5
Uttar Pradesh	Kanpur	Mill Delivery	1515	1515	Unch
	Mathura	Mill Quality(Loose)	1440	1450	-10
	Kosi	Mill Quality(Loose)	1450	1450	Unch
	Hathras	Mill Quality(Loose)	1360	NA	-
	Aligarh	Mill Quality(Loose)	1380	1380	Unch
Punjab	Khanna	Mill Quality(Loose)	1410	1410	Unch
	(Ludhiana)Jagraon	Mill Delivery	1480	1500	-20
Haryana	Sirsa	Mill Quality(Loose)	1405	1400	5
	Hodal	Mill Delivery	1530	1520	10
	Bhiwani	Mill Quality(Loose)	1380	1400	-20
	Karnal	Mill Quality(Loose)	1390	1390	Unch
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1825	1800	25
	Madurai	Mill Quality(Loose)	1882	1857	25
	Coimbatore	Mill Quality(Loose)	1882	1857	25
Bihar	Sitamari	Mill Delivery	NA	NA	-
	Khagariya	Mill Delivery	1530	1530	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1600	1625	-25
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1600	1625	-25

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6/3/2014	6/2/2014	
New Delhi	Lawrence Road	Mill Delivery	10000	7000	3000
	Narella	Mill Quality(Loose)	2000	1000	1000
	Nazafgarh	Mill Quality(Loose)	400	400	Unch
Gujarat	Rajkot	Mill Quality(Loose)	2000	2000	Unch
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	5000	4000	1000
Rajasthan	Kota	Mill Quality(Loose)	8000	10000	-2000
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	5000	3000	2000
	Kosi	Mill Quality(Loose)	1000	1000	Unch

	Hathras	Mill Quality(Loose)	700	NA	-
	Aligarh	Mill Quality(Loose)	1000	2500	-1500
Punjab	Khanna	Mill Quality(Loose)	12000	13000	-1000
	(Ludhiana)Jagraon	Mill Quality(Loose)	1000	2000	-1000
Haryana	Sirsa	Mill Quality(Loose)	1500	500	1000
	Hodal	Mill Quality(Loose)	200	200	Unch
	Bhiwani	Mill Quality(Loose)	600	700	-100
	Karnal	Mill Quality(Loose)	500	500	Unch
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi	6/3/2014	6/2/2014	Change
Atta (50kg) Ordinary	940	940	Unch
Maida Grade 1 (90kg)	2112	2112	Unch
Maida Grade 1 (50KG)	1155	1155	Unch
Suji (50kg)	1180	1180	Unch
Chokar (50 kg)	686	686	Unch
Chokar (34 kg)	422	422	Unch
Chakki Atta (50kg)	965	965	Unch
Chakki Atta (50kg) Special	965	965	Unch
Chakki Atta (90kg) Superfine	1800	1800	Unch
Chakki Atta (50kg) Superfine	970	970	Unch