

Wheat Domestic Fundamentals:

- According to IBIS (provisional data), export of wheat in the month of May was 7.7 Lakh tones which is around 11% less than last year at the same month, which was 8.66 Lakh tones in April 2013.
- Wheat cash market decreased sharply as buyers remained sidelined. Export demand has virtually come to a halt and under diminishing export opportunity they want to offload stock in domestic market. As supply from new crop still continues, higher supply against lower demand may further pressurize wheat market.
- There is a buzz in the market that major importers have turned to Black Sea Region due to cheaper availability there. Russia is offering wheat at \$275 per tonne for long month delivery (August-Sept). Black Sea Region crop is due in July and with span of time quotes are likely to dip further. Indian Quotes in May month have been hovering in the region of \$280 to \$284 per tonne on FOB basis Kandla.
- However, the current dip in domestic market may cut FOB quote from \$280-284 to \$262-264 per tonne. But it too would not ensure export from India as Black Sea region crop would remain competitive up to August - September. From October onward, Australian crop would start hitting the market. Overall situation on global front hints ample supply and depressed price for third quarter. In such a developing scenario Indian wheat export volume is bound to decrease. July onward wheat prices start firming up in the market as usual and it would make wheat export tougher for the Indian exporters. Overall situation remains depressing on wheat export front for India.
- 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.

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.
- 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:05:06:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	-3	1515	1519	1510	1511	1,130	500	8,550	-500
July-14	-1	1540	1545	1536	1537	3,320	2,090	9,520	1,540
Aug-14	4	1564	1585	1561	1565	1,350	-480	3,260	100

Spread	May-14	june-14	july-14	Aug-14
Spot	4			
Jun-14		26		
July-14			28	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	4.6.2014	4.6.2014	4.6.2014	2.6.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5107	1298	6405	5107
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 04.06.14 (USD/T)							
CONTRACT MONTH	04 June 14	Week ago (28 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	225.77	234.68	259.84	233.57	243.77	280.97	-19.65
14-Jul	229.63	238.99	263.06	236.33	246.53	283.54	-19.02
14-Sept	237.52	246.16	268.11	240.74	250.20	286.02	-16.96
14-Dec	243.95	252.31	2844.32	243.40	252.40	288.32	-15.39
15-Mar	247.54	255.16	274.54	244.23	252.13	289.24	-14.42
15-May	249.46	256.26	270.13	241.29	256.17	279.32	-10.69

Wheat Daily Prices and Arrivals on 5.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
New Delhi			6/5/2014	6/4/2014	
	Lawrence Road	Mill Delivery	1515	1510	5
	Narella	Mill Quality(Loose)	Closed	Closed	-
	Nazafgarh	Mill Quality(Loose)	1475	Closed	-
Gujarat	Rajkot	Mill Delivery	1500	1500	Unch

	Ahmedabad	Mill Delivery	1525	1525	Unch
	Surat	Mill Delivery	1550	1550	Unch
Madhya Pradesh	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1500	1490	10
Rajasthan	Kota	Mill Quality(Loose)	1425	1425	Unch
		Mill Delivery	1500	1520	-20
Uttar Pradesh	Kanpur	Mill Delivery	1510	1515	-5
	Mathura	Mill Quality(Loose)	1450	1450	Unch
	Kosi	Mill Quality(Loose)	1450	1450	Unch
	Hathras	Mill Quality(Loose)	1380	NA	-
	Aligarh	Mill Quality(Loose)	Closed	Closed	-
Punjab	Khanna	Mill Quality(Loose)	1410	1410	Unch
	(Ludhiana)Jagraon	Mill Delivery	1480	1480	Unch
Haryana	Sirsa	Mill Quality(Loose)	1400	1405	-5
	Hodal	Mill Delivery	1500	1500	Unch
	Bhiwani	Mill Quality(Loose)	1400	1390	10
	Karnal	Mill Quality(Loose)	1380	1370	10
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1815	1800	15
	Madurai	Mill Quality(Loose)	1872	1857	15
	Coimbatore	Mill Quality(Loose)	1872	1857	15
Bihar	Sitamari	Mill Delivery	1520	NA	-
	Khagariya	Mill Delivery	1550	1525	25
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1600	1600	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1600	1600	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
New Delhi			6/5/2014	6/4/2014	
	Lawrence Road	Mill Delivery	14000	8000	6000
	Narella	Mill Quality(Loose)	Closed	Closed	-
	Nazafgarh	Mill Quality(Loose)	450	Closed	-
Gujarat	Rajkot	Mill Quality(Loose)	1500	2000	-500
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	5000	4000	1000
Rajasthan	Kota	Mill Quality(Loose)	7000	5000	2000
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	3000	5000	-2000
	Kosi	Mill Quality(Loose)	1000	1000	Unch

	Hathras	Mill Quality(Loose)	100	NA	-
	Aligarh	Mill Quality(Loose)	Closed	Closed	-
Punjab	Khanna	Mill Quality(Loose)	12000	12000	Unch
	(Ludhiana)Jagraon	Mill Quality(Loose)	1000	1000	Unch
Haryana	Sirsa	Mill Quality(Loose)	1000	300	700
	Hodal	Mill Quality(Loose)	100	100	Unch
	Bhiwani	Mill Quality(Loose)	500	600	-100
	Karnal	Mill Quality(Loose)	200	400	-200
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi		6/5/2014	6/4/2014	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

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