AGRIWATCH

Wheat Daily Report
09th June 2014

Wheat Domestic Fundamentals:

- Wheat cash market is expected to remain under pressure as private traders who have procured around 6.4 million tonne wheat in this season by May end would try to offload 50 percent of their stock in domestic market as importers are out of the Indian market. Recovery in global wheat market is unlikely in the short and medium term.
- Wheat stock in central pool warehouses was registered at 41.58 million T on 01 May compared to 34.40 million T on 1st May 2014. The highest accumulated stock is in Punjab (16.15 million T) followed by Madhya Pradesh (8.26 million tonne) and Haryana (7.89 million Tonne) as on 01.06.2014.
- 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.

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 .

NCDEX Wheat Futures									Date:05:06:2014
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	-17	1509	1509	1493	1496	1,820	690	7,800	-750
July-14	-13	1535	1536	1525	1525	3,380	60	11,120	1,600
Aug-14	9	1560	1560	1552	1533	580	-770	3,420	160

Spread	May-14	june-14	july-14	Aug-14
Spot	16			
Jun-14		29		
July-14			8	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	6.6.2014	**6.6.2014**	**6.6.2014**	**2.6.2014**
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6253	602	6855	5107
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 05.06.14 (USD/T)							
CONTRACT MONTH	**05 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	222.55	234.68	259.84	233.57	243.77	280.97	**-20.79**
14-Jul	226.41	238.99	263.06	236.33	246.53	283.54	**-20.15**
14-Sept	234.03	246.16	268.11	240.74	250.20	286.02	**-18.18**
14-Dec	240.65	252.31	2844.32	243.40	252.40	288.32	**-16.53**
15-Mar	244.32	255.16	274.54	244.23	252.13	289.24	**-15.53**
15-May	246.71	256.26	270.13	241.29	256.17	279.32	**-11.67**

Wheat Daily Prices and Arrivals on 7.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6/7/2014	**6/6/2014**	
New Delhi	Lawrence Road	Mill Delivery	1510	1512	**-2**
	Narella	Mill Quality(Loose)	1470	1480	**-10**
	Nazafgarh	Mill Quality(Loose)	1475	1475	**Unch**
Gujarat	Rajkot	Mill Delivery	1510	1530	**-20**

	Ahmedabad	Mill Delivery	1535	1530	5
	Surat	Mill Delivery	1550	1550	Unch
Madhya Pradesh	Bhopal	Lokwan	1550	1550	Unch
	Indore	Mill Delivery	1500	1500	Unch
Rajasthan	Kota	Mill Quality(Loose)	1400	1415	-15
		Mill Delivery	1490	1500	-10
Uttar Pradesh	Kanpur	Mill Delivery	1510	1510	Unch
	Mathura	Mill Quality(Loose)	1460	1440	20
	Kosi	Mill Quality(Loose)	1450	1450	Unch
	Hathras	Mill Quality(Loose)	1400	1403	-3
	Aligarh	Mill Quality(Loose)	1380	NA	-
Punjab	Khanna	Mill Quality(Loose)	1415	1410	5
	(Ludhiana)Jagraon	Mill Delivery	1480	1480	Unch
Haryana	Sirsa	Mill Quality(Loose)	1405	1405	Unch
	Hodal	Mill Delivery	1500	1500	Unch
	Bhiwani	Mill Quality(Loose)	1440	1400	40
	Karnal	Mill Quality(Loose)	1380	1380	Unch
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1800	1800	Unch
	Madurai	Mill Quality(Loose)	1857	1857	Unch
	Coimbatore	Mill Quality(Loose)	1857	1857	Unch
Bihar	Sitamari	Mill Delivery	Closed	1520	-
	Khagariya	Mill Delivery	1475	1550	-75
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1625	1600	25
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1625	1600	25

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6/7/2014	6/6/2014	
New Delhi	Lawrence Road	Mill Delivery	8000	12000	-4000
	Narella	Mill Quality(Loose)	1000	1000	Unch
	Nazafgarh	Mill Quality(Loose)	400	500	-100
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)	7000	6000	1000
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	2000	3000	-1000
	Kosi	Mill Quality(Loose)	1000	1500	-500

	Hathras	Mill Quality(Loose)	500	1000	-500
	Aligarh	Mill Quality(Loose)	600	NA	-
Punjab	Khanna	Mill Quality(Loose)	8000	12000	-4000
	(Ludhiana)Jagraon	Mill Quality(Loose)	1000	1000	Unch
Haryana	Sirsa	Mill Quality(Loose)	200	200	Unch
	Hodal	Mill Quality(Loose)	300	200	100
	Bhiwani	Mill Quality(Loose)	600	500	100
	Karnal	Mill Quality(Loose)	200	200	Unch
	Panipat	Mill Quality(Loose)	NA	NA	-

Wheat Products Delhi	6/7/2014	6/6/2014	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