

## Wheat Domestic Fundamentals:

- In the beginning of the season when CBOT was ruling higher and unresolved Crimea issue encouraged private traders to go for bulk buying as they saw better export opportunity in the global market. They continued buying and the quantity reached at all time high at 6.4 million tonne this year.
- However, export opportunity started turning blemish when Russia and Ukraine started offering wheat at \$275 per tonne for long month delivery. With improved weather condition and higher production estimates CBOT decreased sharply. Buyers from India turned to Black Sea Region and demand decreased considerably for Indian wheat.
- These developments in the month of May have pressurized cash wheat market and price of wheat decreased by Rs 50 to Rs 75 per quintal in last 15 days. Stock holders have started thinking to release wheat in local market in absence of export demand. Market is expected to trade steady from current level as market has absorbed the negative impact of lower export demand.
- By the end of May, 2014 total arrival of wheat in major markets registered at 34 million tonne. Out of total arrivals FCI and other state agencies have brought 76.82 percent, while private trade contribution was registered at 23.18 percent. Actually, this year private trade's buying has increased considerably with hope of better export opportunity. Higher private participation encouraged wheat price in the season and prices continue to rule over MSP in many states. This year private trades, including flour mills, have brought around 6.4 million tonne wheat.
- 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.
- Maximum wheat has been purchased in Madhya Pradesh by private trades this year. During the season up to May total arrival in M.P. was registered at 9.4 million tonne. FCI and other agencies have brought 7.1 million tonne out of it while private trades uplifted 2.3 million tonne so far. Notably, Wheat grown in Madhya Pradesh is considered as premium grade and its export demand continues throughout the year.

## 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:09:06:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	-23	1498	1500	1471	1476	4,790	2,970	5,320	-2,480
July-14	-27	1535	1535	1498	1501	5,060	1,680	12,420	1,300
Aug-14	-30	1544	1544	1524	1524	1,460	880	3,910	490

Spread	May-14	june-14	july-14	Aug-14
Spot	29			
Jun-14		25		
July-14			23	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	7.6.2014	7.6.2014	7.6.2014	2.6.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6253	802	7055	5107
Rajkot	-	-	-	-

## Wheat (CBOT) Future:

CBOT Futures Prices: Date: 06.06.14 (USD/T)							
CONTRACT MONTH	06 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	227.15	234.68	259.84	233.57	243.77	280.97	-19.16
14-Jul	231.55	238.99	263.06	236.33	246.53	283.54	-18.33
14-Sept	239.18	246.16	268.11	240.74	250.20	286.02	-16.38
14-Dec	246.07	252.31	2844.32	243.40	252.40	288.32	-14.65
15-Mar	250.02	255.16	274.54	244.23	252.13	289.24	-13.56
15-May	252.59	256.26	270.13	241.29	256.17	279.32	-9.57

## Wheat Daily Prices and Arrivals on 9.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jun-14	07-Jun-14	
Delhi	Lawrence Road	Mill Delivery	1505	1510	-5
	Narella	Mill Quality Loose	1485	1470	15
	Nazafgarh	Mill Quality Loose	1470	1475	-5
Gujarat	Rajkot	Mill Delivery	Closed	1510	-

	Ahmedabad	Mill Delivery	Closed	1535	-
	Surat	Mill Delivery	Closed	1550	-
M.P.	Bhopal	Lokwan	1550	1550	Unch
	Indore	Mill Delivery	1520	1500	20
Rajasthan	Kota	Mill Quality Loose	1400	1400	Unch
		Mill Delivery	1480	1490	-10
U.P.	Kanpur	Mill Delivery	1505	1510	-5
	Mathura	Mill Quality Loose	1450	1460	-10
	Kosi	Mill Quality Loose	1450	1450	Unch
	Hathras	Mill Quality Loose	1400	1400	Unch
	Aligarh	Mill Quality Loose	1400	1380	20
Punjab	Khanna	Mill Quality Loose	1415	1415	Unch
	(Ludhiana)Jagraon	Mill Delivery	1480	1480	Unch
Haryana	Sirsa	Mill Delivery loose	1410	1405	5
	Hodal	Mill Delivery	1500	1500	Unch
	Karnal	Mill Quality Loose	1360	1380	-20
	Bhiwani	Mill Quality Loose	1390	1400	-10
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1800	1800	Unch
	Madurai	Mill Quality	1857	1857	Unch
	Coimbatore	Mill Quality	1857	1857	Unch
Bihar	Sitamari	Mill Delivery	1570	Closed	-
	Khagariya	Mill Delivery	1450	1475	-25
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1610	1625	-15
	Gandhidham(Rajasthan-Kota)	Mill Quality	1610	1625	-15

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			9-Jun-14	7-Jun-14	
	Lawrence Road	Mill Delivery	9000	8000	1000
	Narella	Mill Quality Loose	500	1000	-500
	Nazafgarh	Mill Quality Loose	400	400	Unch
Gujarat	Rajkot	Mill Quality Loose	Closed	2000	-
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	3000	5000	-2000
Rajasthan	Kota	Mill Quality	7000	7000	Unch
U.P.	Kanpur	Mill Quality Loose	700	NA	-
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	1000	1000	Unch

## Wheat Daily Report

10<sup>th</sup> June 2014

	Hathras	Mill Quality Loose	500	500	Unch
	Aligarh	Mill Quality Loose	NA	600	-
Punjab	Khanna	Mill Quality Loose	7000	8000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	1000	Unch
Haryana	Sirsa	Mill Quality Loose	150	200	-50
	Hodal	Mill Quality Loose	200	300	-100
	Karnal	Mill Quality Loose	150	600	-450
	Bhiwani	Mill Quality Loose	700	600	100
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	9-Jun-14	7-Jun-14	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)	653	686	-33
Chokar (34 kg)	385	422	-37
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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