

Wheat Domestic Fundamentals:

- Wheat cash market traded steady on Tuesday in major mundis. Ample stock and sluggish demand will not allow to increase the price in near future.
- 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:10:06:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	4	1465	1490	1465	1480	4,580	-210	3,450	-1,870
July-14	8	1499	1519	1499	1510	2,260	-2,800	13,290	870
Aug-14	11	1524	1541	1524	1538	520	-940	4,000	90

Spread	May-14	june-14	july-14	Aug-14
Spot	25			
Jun-14		30		
July-14			28	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	9.6.2014	9.6.2014	9.6.2014	9.6.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6253	1152	7405	6253
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 09.06.14 (USD/T)							
CONTRACT MONTH	09 June 14	Week ago (03 June 2014)	1 Month ago(09 May 14)	3 Month ago(10 Mar 14)	6 Month ago(10 Dec 13)	1 Year ago(10 June 13)	% Change over previous year
14-May	225.03	225.03	265.45	237.34	235.96	273.90	-17.84
14-Jul	229.53	228.89	268.57	240.37	239.36	276.28	-16.92
14-Sept	238.17	237.06	273.80	244.50	244.05	279.41	-14.76
14-Dec	245.42	243.68	278.58	253.23	246.43	281.89	-12.94
15-Mar	249.56	247.08	280.14	247.44	246.80	282.44	-11.64
15-May	252.04	249.10	277.02	244.87	245.70	278.95	-9.65

Wheat Daily Prices and Arrivals on 10.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Jun-14	09-Jun-14	
Delhi	Lawrence Road	Mill Delivery	1505	1505	Unch
	Narella	Mill Quality Loose	1480	1485	-5
	Nazafgarh	Mill Quality Loose	1465	1470	-5
Gujarat	Rajkot	Mill Delivery	1510	Closed	-

	Ahmedabad	Mill Delivery	NR	Closed	-
	Surat	Mill Delivery	1550	Closed	-
M.P.	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1525	1520	5
Rajasthan	Kota	Mill Quality Loose	1400	1400	Unch
		Mill Delivery	1480	1480	Unch
U.P.	Kanpur	Mill Delivery	1450	1480	-30
	Mathura	Mill Quality Loose	1450	1450	Unch
	Kosi	Mill Quality Loose	1450	1450	Unch
	Hathras	Mill Quality Loose	1400	1400	Unch
	Aligarh	Mill Quality Loose	1380	1400	-20
Punjab	Khanna	Mill Quality Loose	1415	1415	Unch
	(Ludhiana).Jagraon	Mill Delivery	1480	1480	Unch
Haryana	Sirsa	Mill Delivery loose	1410	1410	Unch
	Hodal	Mill Delivery	1500	1500	Unch
	Karnal	Mill Quality Loose	1370	1360	10
	Bhiwani	Mill Quality Loose	1390	1450	-60
	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	1570	Unch
	Khagariya	Mill Delivery	1450	1450	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1610	1610	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1610	1610	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			10-Jun-14	9-Jun-14	
	Lawrence Road	Mill Delivery	6000	9000	-3000
	Narella	Mill Quality Loose	500	500	Unch
	Nazafgarh	Mill Quality Loose	400	400	Unch
Gujarat	Rajkot	Mill Quality Loose	1800	Closed	-
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	10000	7000	3000
U.P.	Kanpur	Mill Quality Loose	800	700	100
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	1000	1000	Unch

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	Hathras	Mill Quality Loose	450	500	-50
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	7000	7000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	1000	1000	Unch
Haryana	Sirsa	Mill Quality Loose	500	150	350
	Hodal	Mill Quality Loose	200	200	Unch
	Karnal	Mill Quality Loose	100	150	-50
	Bhiwani	Mill Quality Loose	200	1360	-1160
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	10-Jun-14	9-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	653	Unch
Chokar (34 kg)	385	385	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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