Wheat Daily Report
12th June 2014

Wheat Domestic Fundamentals:

- Pressure on domestic wheat market continues as bulk buyers/exporters have opted to remain out of the market in bearish global outlook. Despite ongoing issue between Russia and Ukraine, export offers on attractive price continue on large scale. Russian FOB quote has decreased from $276 to $250 per tonne in last 15 days. New crop in Russia and Ukraine is in good condition and both the countries have much marketable surplus to offer. New crop would start hitting the market by the end of June and it would pressurize price globally. CBOT Futures contracts too have declined in last two-three weeks. Weak export data from US, higher marketable surplus and importers reservation against buying bulk quantity remain the price limiting factors. More dip is expected in the global wheat market in the weeks ahead.
- All these developments are going to impact domestic price of Indian wheat. Export opportunity for Indian wheat seems bleak at this point of time. Private stockiest, who have brought 6.4 million tonne wheat from open market at price higher than MSP, are sellers now in domestic market in diminishing export opportunity. Supply would remain higher than demand. However, any steep fall is unlikely. During lean season starting from July prices of wheat may improve slightly. However, expectation of any bullish trend seems a remote possibility.
- 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 at9.4 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:11:06:2014
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	-3	1471	1482	1469	1478	3,640	-940	2,550	-900
July-14	-6	1508	1513	1505	1506	2,100	-160	14,300	1,010
Aug-14	-4	1535	1538	1530	1532	600	80	4,210	210

AGRIWATCH

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Spread	May-14	june-14	july-14	Aug-14
Spot	27			
Jun-14		28		
July-14			26	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	10.6.2014	10.6.2014	10.6.2014	9.6.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7057	399	7456	6253
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 10.06.14 (USD/T)							
CONTRACT MONTH	10 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	220.90	225.03	265.45	237.34	235.96	273.90	-19.35
14-Jul	225.22	228.89	268.57	240.37	239.36	276.28	-18.48
14-Sept	234.03	237.06	273.80	244.50	244.05	279.41	-16.24
14-Dec	241.75	243.68	278.58	253.23	246.43	281.89	-14.24
15-Mar	246.53	247.08	280.14	247.44	246.80	282.44	-12.72
15-May	248.64	249.10	277.02	244.87	245.70	278.95	-10.87

Wheat Daily Prices and Arrivals on 11.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Jun-14	10-Jun-14	
Delhi	Lawrence Road	Mill Delivery	1505	1505	Unch
	Narella	Mill Quality Loose	Closed	1480	-
	Nazafgarh	Mill Quality Loose	Closed	1465	-
Gujarat	Rajkot	Mill Delivery	1525	1510	15

	Ahmedabad	Mill Delivery	1550	NR	-
	Surat	Mill Delivery	1560	1550	10
M.P.	Bhopal	Lokwan	1575	1600	-25
	Indore	Mill Delivery	1510	1525	-15
Rajasthan	Kota	Mill Quality Loose	1400	1400	Unch
		Mill Delivery	1480	1480	Unch
U.P.	Kanpur	Mill Delivery	1450	1450	Unch
	Mathura	Mill Quality Loose	1420	1450	-30
	Kosi	Mill Quality Loose	1450	1450	Unch
	Hathras	Mill Quality Loose	1402	1400	2
	Aligarh	Mill Quality Loose	Closed	1380	-
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	1490	1500	-10
	Karnal	Mill Quality Loose	1370	1370	Unch
	Bhiwani	Mill Quality Loose	1390	1390	Unch
	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	1500	1450	50
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1610	1610	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1610	1610	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Jun-14	**10-Jun-14**	
Delhi	Lawrence Road	Mill Delivery	16000	6000	10000
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	400	-
Gujarat	Rajkot	Mill Quality Loose	1500	1800	-300
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	3000	2000	1000
Rajasthan	Kota	Mill Quality	7000	10000	-3000
U.P.	Kanpur	Mill Quality Loose	700	800	-100
	Mathura	Mill Quality Loose	1500	2000	-500
	Kosi	Mill Quality Loose	1000	1000	Unch

	Hathras	Mill Quality Loose	350	450	-100
	Aligarh	Mill Quality Loose	Closed	NA	-
Punjab	Khanna	Mill Quality Loose	6000	7000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	1000	Unch
Haryana	Sirsa	Mill Quality Loose	300	500	-200
	Hodal	Mill Quality Loose	100	200	-100
	Karnal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	500	200	300
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	11-Jun-14	10-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