

Wheat Domestic Fundamentals:

- Wheat cash market continues to reel under pressure as demand from bulk buyers has declined considerably. Exporters are out of the market as parity has changed into negative with Russian/Ukrainean offer around \$250 per tonne on FOB basis for July-August delivery. Besides, Stock stored out for export by private trade is being offloaded in domestic market with diminished export opportunity.
- Wheat prices in major benchmark market have decreased by Rs 40 to Rs 50 per qtl. during last two weeks. It is being traded at Rs 1380 to Rs 1550 per qtl. Market participants opine that wheat would continue to trade steady to slightly lower in the third week of June too.
- 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.
- 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.

International Market Update:

- Morocco's Attijariwafa Bank has signed a deal with Moroccan wheat trade federation FIAC to finance \$300 million of Russian wheat imports in the 2014-2015 season. The deal was signed in Moscow ON June 10th. Two trading companies, Louis Dreyfus Vostok and Glencore Grain, took part of the deal.
- Black Sea countries such as Russia tend to dominate wheat exports at the start of the international marketing year, which begins in July, as they offload large volumes at often attractive prices.
- 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.

Domestic market Outlook:

Wheat cash market may stay steady with weak bias to continue.

NCDEX Wheat Futures								Date:16:06:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-14	25	1488	1501	1481	1501	310	-260	2,230	-20
July-14	3	1507	1510	1504	1508	910	-320	14,750	-250
Aug-14	-5	1534	1536	1527	1530	600	310	4,700	-270

Spread	May-14	june-14	july-14	Aug-14
Spot	1			
Jun-14		7		
July-14			22	
Aug-14				

Stocks	Demat	In- Process	Total	FED
	14.6.2014	14.6.2014	14.6.2014	10.6.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7257	250	7507	6253
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 13.06.14 (USD/T)							
CONTRACT MONTH	13 June 14	Week ago (06 June 2014)	1 Month ago(14 May 14)	3 Month ago(13 Mar 14)	6 Month ago(13 Dec 13)	1 Year ago(13 June 13)	% Change over previous year
14-Mar	215.02	227.15	252.31	249.10	234.03	270.87	-20.62
14-May	219.34	231.55	256.81	252.22	237.34	273.53	-19.81
14-Jul	228.16	239.18	262.69	255.80	242.48	275.83	-17.28
14-Sep	235.14	246.07	268.11	257.91	245.33	278.03	-15.43
14-Dec	239.45	250.02	270.96	258.47	245.61	278.58	-14.05
15-Mar	240.65	252.59	270.22	254.79	242.76	275.09	-12.52

Wheat Daily Prices and Arrivals on 16.6.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Jun-14	14-Jun-14	
Delhi					
	Lawrence Road	Mill Delivery	1510	1510	Unch
	Narella	Mill Quality Loose	1490	1485	5
	Nazafgarh	Mill Quality Loose	1460	1465	-5
Gujarat	Rajkot	Mill Delivery	1500	1500	Unch
	Ahmedabad	Mill Delivery	1520	1520	Unch
	Surat	Mill Delivery	1540	1530	10
M.P.	Bhopal	Lokwan	1550	1550	Unch
	Indore	Mill Delivery	1505	1520	-15

Rajasthan	Kota	Mill Quality Loose	1380	1405	-25
		Mill Delivery	1470	1480	-10
U.P.	Kanpur	Mill Delivery	1485	1475	10
	Mathura	Mill Quality Loose	1450	1450	Unch
	Kosi	Mill Quality Loose	1420	1415	5
	Hathras	Mill Quality Loose	1400	1400	Unch
	Aligarh	Mill Quality Loose	1400	1400	Unch
Punjab	Khanna	Mill Quality Loose	1410	1400	10
	(Ludhiana).Jagraon	Mill Delivery	1480	1480	Unch
Haryana	Sirsa	Mill Delivery loose	1412	1410	2
	Hodal	Mill Delivery	1490	1490	Unch
	Karnal	Mill Quality Loose	1380	1380	Unch
	Bhiwani	Mill Quality Loose	1400	1400	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1750	1775	-25
	Madurai	Mill Quality	1807	1832	-25
	Coimbatore	Mill Quality	1807	1832	-25
Bihar	Sitamari	Mill Delivery	NA	Closed	-
	Khagariya	Mill Delivery	1450	1450	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1550	1600	-50
	Gandhidham(Rajasthan-Kota)	Mill Quality	1550	1600	-50

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			16-Jun-14	14-Jun-14	
	Lawrence Road	Mill Delivery	7000	5000	2000
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	300	400	-100
Gujarat	Rajkot	Mill Quality Loose	1500	1300	200
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	6500	8000	-1500
U.P.	Kanpur	Mill Quality Loose	800	700	100
	Mathura	Mill Quality Loose	1500	300	1200
	Kosi	Mill Quality Loose	200	50	150
	Hathras	Mill Quality Loose	150	100	50
	Aligarh	Mill Quality Loose	2500	1000	1500
Punjab	Khanna	Mill Quality Loose	2000	3000	-1000
	(Ludhiana).Jagraon	Mill Quality Loose	1000	1000	Unch

Haryana	Sirsa	Mill Quality Loose	300	100	200
	Hodal	Mill Quality Loose	200	100	100
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	600	600	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		16-Jun-14	14-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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