# Wheat Daily Report
28th June 2014

**Wheat Domestic Fundamentals:**

- Demand for wheat product in festive season is expected by the end of July and it will help wheat price to get firmer in the weeks ahead. However, supply side will remain ample as farmers in UP still holds 20-30 % marketable surplus stock in their hands, the stock will continue to hit market in July.
- Wheat markets trade steady to slightly weak on normal demand against steady supply. Private trades release their stock meant for export in the domestic market as export opportunity seems bleak for next two-three months. However, more dip from current level is unlikely as festive season is at hand and demand for wheat products is expected to increase. Traders are waiting for OMSS price for states and these prices would direct market trends in coming weeks. Govt may revise OMSS price for this season.
- On export front there is no hope as bearish tone continues to dominate global market on the back of higher production prospects in Black Sea Region and ample marketable surplus in US. Russia and Ukraine has sold out wheat to Pakistan at $260 per tonne on c&f basis to be delivered in July and August.Against this India is unable to offer below $263/64 per tonne on FOB basis.As domestic market is expected to get firmer July onward,it would be very difficult for Indian exporters to compete from Russia and Ukraine.
- Wheat stock in central pool warehouses was registered at 40.10 million T on 16 June compared to 41.58 million T on 1st June 2014. The highest accumulated stock is in Punjab (15.90 million T) followed by Madhya Pradesh (8.21 million tonne) and Haryana (7.75 million tonne) as on 16.06.2014.
- As per market feedback farmers would start releasing wheat in parts July onward. As wheat prices are ruling around MSP or below MSP,farmers would wait for uptrend in the market. Lower release by farmers, continuous normal demand would support wheat market in states like Bihar and Uttar Pradesh. Agriwatch expects price to move up by Rs 50 to Rs 75 per qtl.in next two -three weeks.

**International Market Update:**

- Private importers in Pakistan have purchased about 55,000 tons of Black Sea-origin wheat probably from Russia or Ukraine around $266 a tons c&f for August/September shipment. They are still negotiating on more wheat purchases as bad harvesting this year have generated the import demand.
- The US wheat exporters may see tough time in the months ahead. Acting chairman of the US department of Agriculture outlook board Seth Meyer has expressive some pessimistic view on export front. According to him US exporters have to face the problem of lower availability of wheat for export.US winter crop size is expected to be lower by 10 percent from last year,Besides,total wheat supply may decrease by 11 percent.Wheat production prospects at global level too has improved in recent weeks.IN EU. wheat production may increase by1.4 million tonne.Russian can harvest 1 million tonne higher wheat than last year.Better production prospects for China is not a remote possibility. All these developments hints towards lower export prospects for US wheat.US wheat export may decrease by 21 percent in current season.
- CBOT wheat futures improve after having a five week slide. Actually, market has traded up due to increasing expectation that buyers would take fresh position at the lower level. Besides, rains in US plains, where crop is in maturity stage, may affect grain quality. Forecast for rains in the central and south west wheat growing belts may hamper harvesting by a week or two. Rains on matured wheat may affect grain weight and its baking quality.

## Domestic market Outlook:

**Wheat cash market may stay steady with weak bias likely to continue in the short term.**

| NCDEX Wheat Futures | | | | | | | | | Date:27:06:2014 |
|---|---|---|---|---|---|---|---|---|---|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| July-14 | -1 | 1530 | 1531 | 1528 | 1528 | 640 | 340 | 12,870 | -280 |
| Aug-14 | 0 | 1553 | 1554 | 1550 | 1550 | 270 | 200 | 5,440 | 20 |
| Sept-14 | 2 | 1574 | 1574 | 1574 | 1574 | 10 | 10 | 140 | 0 |

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| Spread | May-14 | june-14 | july-14 | Aug-14 |
|---|---|---|---|---|
| Spot | -18 | | | |
| July-14 | | 22 | | |
| Aug-14 | | | 24 | |
| Sept-14 | | | | |

| Stocks | Demat | In- Process | Total | FED |
|---|---|---|---|---|
| | 26.6.2014 | 26.6.2014 | 26.6.2014 | 23.6.2014 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 7659 | 151 | 7810 | 7659 |
| Rajkot | - | - | - | - |

**Wheat (CBOT) Future:**

| CBOT Futures Prices: Date: 26.06.14 (USD/T) | | | | | | | |
|---|---|---|---|---|---|---|---|
| CONTRACT MONTH | 26 June 14 | Week ago (16 June 2014) | 1 Month ago(23 May 14) | 3 Month ago(24 Mar 14) | 6 Month ago(23 Dec 13) | 1 Year ago(24 June 13) | % Change over previous year |
| 14-Mar | 213.92 | 213.46 | 239.73 | 263.33 | 227.88 | 267.83 | -20.13 |
| 14-May | 214.84 | 217.23 | 243.86 | 265.81 | 231.37 | 269.76 | -20.36 |
| 14-Jul | 221.91 | 224.57 | 250.66 | 269.12 | 235.96 | 271.88 | -18.38 |
| 14-Sep | 229.35 | 231.19 | 256.90 | 271.05 | 238.90 | 272.61 | -15.87 |
| 14-Dec | 233.76 | 235.41 | 259.94 | 269.67 | 239.18 | 273.44 | -14.51 |
| 15-Mar | 237.06 | 237.43 | 261.04 | 263.79 | 237.16 | 272.24 | -12.92 |

**Wheat Daily Prices and Arrivals on 27.6.2014**

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|---|---|---|---|---|---|
| | | | 6/27/2014 | 6/26/2014 | |
| New Delhi | Lawrence Road | Mill Delivery | 1510 | 1505 | 5 |
| | Narella | Mill Quality(Loose) | 1475 | 1460 | 15 |
| | Nazafgarh | Mill Quality(Loose) | 1475 | 1470 | 5 |
| Gujarat | Rajkot | Mill Delivery | Closed | 1510 | - |
| | Ahmedabad | Mill Delivery | Closed | 1535 | - |
| | Surat | Mill Delivery | Closed | 1545 | - |
| Madhya Pradesh | Bhopal | Lokwan | Closed | 1600 | - |
| | Indore | Mill Delivery | Closed | 1520 | - |
| Rajasthan | Kota | Mill Quality(Loose) | Closed | 1410 | - |
| | | Mill Delivery | Closed | 1510 | - |
| Uttar | Kanpur | Mill Delivery | 1485 | 1485 | Unch |

| | | | | | |
|---|---|---|---|---|---|
| Pradesh | Mathura | Mill Quality(Loose) | 1440 | 1440 | Unch |
| | Kosi | Mill Quality(Loose) | 1420 | 1420 | Unch |
| | Hathras | Mill Quality(Loose) | NA | 1400 | - |
| | Aligarh | Mill Quality(Loose) | 1400 | 1400 | Unch |
| Punjab | Khanna | Mill Quality(Loose) | 1405 | 1410 | -5 |
| | (Ludhiana)Jagraon | Mill Delivery | 1500 | 1500 | Unch |
| Haryana | Sirsa | Mill Quality(Loose) | 1410 | 1410 | Unch |
| | Hodal | Mill Delivery | 1500 | 1500 | Unch |
| | Bhiwani | Mill Quality(Loose) | 1420 | NA | - |
| | Karnal | Mill Quality(Loose) | NA | 1390 | - |
| | Panipat | Mill Quality(Loose) | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality(Loose) | Closed | 1760 | - |
| | Madurai | Mill Quality(Loose) | Closed | 1817 | - |
| | Coimbatore | Mill Quality(Loose) | Closed | 1817 | - |
| Bihar | Sitamari | Mill Delivery | NA | NA | - |
| | Khagariya | Mill Delivery | NA | NA | - |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality(Loose) | Closed | 1640 | - |
| | Gandhidham(Rajasthan-Kota) | Mill Quality(Loose) | Closed | 1640 | - |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|---|---|---|---|---|---|
| | | | 6/27/2014 | 6/26/2014 | |
| New Delhi | Lawrence Road | Mill Delivery | 8000 | 7000 | 1000 |
| | Narella | Mill Quality(Loose) | 1000 | 600 | 400 |
| | Nazafgarh | Mill Quality(Loose) | 500 | 500 | Unch |
| Gujarat | Rajkot | Mill Quality(Loose) | Closed | 1200 | - |
| | Ahmedabad | Mill Delivery | NA | NA | - |
| Madhya Pradesh | Bhopal | Lokwan | NA | NA | - |
| | Indore | Mill Quality(Loose) | Closed | 3000 | - |
| Rajasthan | Kota | Mill Quality(Loose) | Closed | 7000 | - |
| Uttar Pradesh | Kanpur | Mill Delivery | NA | NA | - |
| | Mathura | Mill Quality(Loose) | 2000 | 2000 | Unch |
| | Kosi | Mill Quality(Loose) | 500 | 500 | Unch |
| | Hathras | Mill Quality(Loose) | NA | 250 | - |
| | Aligarh | Mill Quality(Loose) | 1000 | 2000 | -1000 |
| Punjab | Khanna | Mill Quality(Loose) | 1000 | 1000 | Unch |
| | (Ludhiana)Jagraon | Mill Quality(Loose) | NA | NA | - |
| Haryana | Sirsa | Mill Quality(Loose) | 150 | 150 | Unch |
| | Hodal | Mill Quality(Loose) | 100 | 100 | Unch |
| | Bhiwani | Mill Quality(Loose) | 300 | NA | - |

| | | | | | |
|---|---|---|---|---|---|
| | Karnal | Mill Quality(Loose) | NA | NA | - |
| | Panipat | Mill Quality(Loose) | NA | NA | - |

| Wheat Products Delhi | 6/27/2014 | 6/26/2014 | 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) | 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 |