

## Wheat Domestic Fundamentals:

- With the end of procurement season and increasing demands for wheat products prices of wheat may increase by Rs 30 to Rs 50 per quintal. By the end of July, private trades have restricted release of wheat in open market as prices are not matching their interest. They had procured wheat at higher than MSP in anticipation of higher export. Now prices in the open market are hovering near MSP and so they have decided to hold on stock at least for two months. Now their retaining cost including procurement cost has gone up to Rs 1550 per quintal against the prevailing rate of Rs 1400 to Rs 1500 per quintal in various mandis of Uttar Pradesh.
- ITC can start procuring wheat once again in Uttar Pradesh. Government would start releasing wheat for OMSS July end and price for OMSS may be revised slightly up (Rs 50 per qtl.) from last year. All these developments may encourage wheat price in the weeks ahead.
- Despite of slower start of procurement, wheat procurement by the end of June touched 27.9 Mn t as expected in April by Agriwatch. It is 10% higher from last year due to higher lifting from Punjab, Haryana and MP.
- Total arrival in grain market by the end of June registered at 34.5Mnt on all India basis out of it 27.9Mnt have been lifted by FCI and other state agencies, the remaining 6.6Mnt has been lifted by private trades and flour millers.
- 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.
- 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.

## 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 by 1.4 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 to slightly firm.**

NCDEX Wheat Futures								Date:02:07:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
July-14	-7	1530	1545	1526	1526	1,450	810	11,940	-930
Aug-14	-8	556	1557	1548	1548	820	550	6,000	560
Sept-14	-4	1626	1626	1575	1575	30	20	140	0

Spread	July-14	Aug-14	Sept-14	Oct-14
Spot	4			
July-14		22		
Aug-14			27	
Sept-14				

Stocks	Demat	In- Process	Total	FED
	30.6.2014	30.6.2014	30.6.2014	30.6.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7659	499	8158	7659
Rajkot	-	-	-	-

## Wheat (CBOT) Future:

CBOT Futures Prices: Date: 30.06.14 (USD/T)							
CONTRACT MONTH	30 June 14	Week ago (24 June 2014)	1 Month ago(02 June 14)	3 Month ago(02 Apr 14)	6 Month ago(02 Jan 14)	1 Year ago(02 July 13)	% Change over previous year
14-Mar	207.49	209.79	228.06	248.00	223.47	257.46	-19.41
14-May	212.17	213.37	232.10	251.03	227.15	260.30	-18.49
14-Jul	219.80	221.36	240.37	255.53	232.29	263.06	-16.45
14-Sep	227.51	229.72	246.89	259.02	235.41	264.34	-13.93
14-Dec	232.29	234.86	250.20	260.67	235.87	263.61	-11.88
15-Mar	235.87	238.63	251.85	258.93	233.85	262.97	-10.30

## Wheat Daily Prices and Arrivals on 1.7.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7/1/2014	6/30/2014	
New Delhi	Lawrence Road	Mill Delivery	1530	1520	10
	Narella	Mill Quality(Loose)	1480	1490	-10
	Nazafgarh	Mill Quality(Loose)	1460	1455	5
Gujarat	Rajkot	Mill Delivery	1580	1580	Unch
	Ahmedabad	Mill Delivery	1650	1600	50
	Surat	Mill Delivery	1660	1650	10
Madhya Pradesh	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1555	1540	15
Rajasthan	Kota	Mill Quality(Loose)	1450	1435	15
		Mill Delivery	1525	1525	Unch
Uttar	Kanpur	Mill Delivery	1490	1485	5

<b>Pradesh</b>	Mathura	Mill Quality(Loose)	1440	1440	<b>Unch</b>
	Kosi	Mill Quality(Loose)	1400	1410	<b>-10</b>
	Hathras	Mill Quality(Loose)	1400	1400	<b>Unch</b>
	Aligarh	Mill Quality(Loose)	1400	1400	<b>Unch</b>
<b>Punjab</b>	Khanna	Mill Quality(Loose)	1410	1410	<b>Unch</b>
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	<b>Unch</b>
<b>Haryana</b>	Sirsa	Mill Quality(Loose)	1415	1415	<b>Unch</b>
	Hodal	Mill Delivery	1500	1500	<b>Unch</b>
	Bhiwani	Mill Quality(Loose)	1410	1415	<b>-5</b>
	Karnal	Mill Quality(Loose)	NA	NA	-
	Panipat	Mill Quality(Loose)	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality(Loose)	1800	1750	<b>50</b>
	Madurai	Mill Quality(Loose)	1857	1807	<b>50</b>
	Coimbatore	Mill Quality(Loose)	1857	1807	<b>50</b>
<b>Bihar</b>	Sitamari	Mill Delivery	NA	NA	-
	Khagariya	Mill Delivery	1450	1450	<b>Unch</b>
<b>FOR</b>	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1600	1550	<b>50</b>
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1600	1550	<b>50</b>

<b>Centre</b>	<b>Market</b>	<b>Variety</b>	<b>Arrivals (Bags/Qtl)</b>		<b>Change</b>
<b>New Delhi</b>			<b>7/1/2014</b>	<b>6/30/2014</b>	
	Lawrence Road	Mill Delivery	9000	10000	<b>-1000</b>
	Narella	Mill Quality(Loose)	400	300	<b>100</b>
	Nazafgarh	Mill Quality(Loose)	400	600	<b>-200</b>
<b>Gujarat</b>	Rajkot	Mill Quality(Loose)	1600	1500	<b>100</b>
	Ahmedabad	Mill Delivery	NA	NA	-
<b>Madhya Pradesh</b>	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	5000	2500	<b>2500</b>
<b>Rajasthan</b>	Kota	Mill Quality(Loose)	8000	8000	<b>Unch</b>
<b>Uttar Pradesh</b>	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	2000	3000	<b>-1000</b>
	Kosi	Mill Quality(Loose)	500	1000	<b>-500</b>
	Hathras	Mill Quality(Loose)	350	350	<b>Unch</b>
	Aligarh	Mill Quality(Loose)	1500	1500	<b>Unch</b>
<b>Punjab</b>	Khanna	Mill Quality(Loose)	600	1000	<b>-400</b>
	(Ludhiana)Jagraon	Mill Quality(Loose)	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality(Loose)	200	200	<b>Unch</b>
	Hodal	Mill Quality(Loose)	200	200	<b>Unch</b>
	Bhiwani	Mill Quality(Loose)	600	600	<b>Unch</b>

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

Wheat Products Delhi	7/1/2014	6/30/2014	Change
Atta (50kg) Ordinary	940	940	Unch
Maida Grade 1 (90kg)	2112	2112	Unch
Maida Grade 1 (50KG)	1180	1180	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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