AGRIWATCH

Wheat Daily Report
03rd July 2014

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 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 to slightly firm.

NCDEX Wheat Futures									Date:02:07:2014
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
July-14	-2	1522	1528	1522	1526	1,860	410	11,290	-650
Aug-14	-7	1546	1548	1543	1546	500	-320	6,070	70
Sept-14	-19	1575	1575	1574	1574	20	-10	150	10

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Spread	July-14	Aug-14	Sept-14	Oct-14
Spot	-1			
July-14		20		
Aug-14			28	
Sept-14				

Stocks	Demat	In- Process	Total	FED
	1.7.2014	1.7.2014	1.7.2014	30.6.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7659	399	8058	7659
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 30.06.14 (USD/T)							
CONTRACT MONTH	01 July 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	205.65	209.79	228.06	248.00	223.47	257.46	-20.12
14-May	210.34	213.37	232.10	251.03	227.15	260.30	-19.20
14-Jul	218.60	221.36	240.37	255.53	232.29	263.06	-16.90
14-Sep	226.96	229.72	246.89	259.02	235.41	264.34	-14.14
14-Dec	232.10	234.86	250.20	260.67	235.87	263.61	-11.95
15-Mar	236.42	238.63	251.85	258.93	233.85	262.97	-10.09

Wheat Daily Prices and Arrivals on 2.7.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7/2/2014	7/1/2014	
New Delhi	Lawrence Road	Mill Delivery	1525	1530	-5
	Narella	Mill Quality(Loose)	Closed	1480	-
	Nazafgarh	Mill Quality(Loose)	Closed	1460	-
Gujarat	Rajkot	Mill Delivery	1575	1580	-5
	Ahmedabad	Mill Delivery	1640	1650	-10
	Surat	Mill Delivery	1670	1660	10
Madhya Pradesh	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1500	1555	-55
Rajasthan	Kota	Mill Quality(Loose)	1450	1450	Unch
		Mill Delivery	1525	1525	Unch
Uttar	Kanpur	Mill Delivery	1490	1490	Unch

Pradesh	Mathura	Mill Quality(Loose)	1420	1440	-20
	Kosi	Mill Quality(Loose)	1400	1400	Unch
	Hathras	Mill Quality(Loose)	1375	1400	-25
	Aligarh	Mill Quality(Loose)	Closed	1400	-
Punjab	Khanna	Mill Quality(Loose)	1405	1410	-5
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Quality(Loose)	1415	1415	Unch
	Hodal	Mill Delivery	1520	1500	20
	Bhiwani	Mill Quality(Loose)	1400	1410	-10
	Karnal	Mill Quality(Loose)	NA	NA	-
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1800	1800	Unch
	Madurai	Mill Quality(Loose)	1857	1857	Unch
	Coimbatore	Mill Quality(Loose)	1857	1857	Unch
Bihar	Sitamari	Mill Delivery	NA	NA	-
	Khagariya	Mill Delivery	1450	1450	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1630	1600	30
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1630	1600	30

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7/2/2014	7/1/2014	
New Delhi	Lawrence Road	Mill Delivery	8000	9000	-1000
	Narella	Mill Quality(Loose)	Closed	400	-
	Nazafgarh	Mill Quality(Loose)	Closed	400	-
Gujarat	Rajkot	Mill Quality(Loose)	1700	1600	100
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	2000	5000	-3000
Rajasthan	Kota	Mill Quality(Loose)	8000	8000	Unch
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	1000	2000	-1000
	Kosi	Mill Quality(Loose)	500	500	Unch
	Hathras	Mill Quality(Loose)	400	350	50
	Aligarh	Mill Quality(Loose)	Closed	1500	-
Punjab	Khanna	Mill Quality(Loose)	1000	600	400
	(Ludhiana)Jagraon	Mill Quality(Loose)	NA	NA	-
Haryana	Sirsa	Mill Quality(Loose)	300	200	100
	Hodal	Mill Quality(Loose)	100	200	-100
	Bhiwani	Mill Quality(Loose)	800	600	200

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

Wheat Products Delhi	7/2/2014	7/1/2014	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