AGRIWATCH

Wheat Daily Report
05th July 2014

Wheat Domestic Fundamentals:

- Demand for wheat from south India has declined in recent weeks as prices of wheat continue to trade under pressure in central and north Indian market. Private stockists are unwilling to retain stock as export opportunity has almost diminished amid bearish global outlook. Farmers in Uttar Pradesh still have ample marketable surplus and they sell it at very competitive price. Wheat cash market may stay steady next week. However, fresh demand from millers may support market by the end of July.
- ITC can start procuring wheat once again in Uttar Pradesh. Government would start releasing wheat for OMSS by 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 from third week of July.
- 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 34.9Mnt on all India basis out of it 27.9Mnt have been lifted by FCI and other state agencies, the remaining 7.0Mnt 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:

- 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.

- 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.
- 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.

Domestic market Outlook:

Wheat cash market may stay steady to slightly firm.

NCDEX Wheat Futures									Date:04:07:2014
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
July-14	-1	1530	1531	1528	1528	900	-70	9670	-870
Aug-14	-1	1545	1548	1542	1545	120	-110	6,130	00
Sept-14	-5	1570	1570	1569	1569	20	10	170	10

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Spread	July-14	Aug-14	Sept-14	Oct-14
Spot	3			
July-14		17		
Aug-14			24	
Sept-14				

Stocks	Demat	In- Process	Total	FED
	3.7.2014	**3.7.2014**	**3.7.2014**	**30.6.2014**
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7659	548	8207	7659
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 02.07.14 (USD/T)							
CONTRACT MONTH	**02 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	206.39	209.79	228.06	248.00	223.47	257.46	**-19.84**
14-May	211.44	213.37	232.10	251.03	227.15	260.30	**-18.77**
14-Jul	219.80	221.36	240.37	255.53	232.29	263.06	**-16.45**
14-Sep	228.43	229.72	246.89	259.02	235.41	264.34	**-13.59**
14-Dec	234.03	234.86	250.20	260.67	235.87	263.61	**-11.22**
15-Mar	238.44	238.63	251.85	258.93	233.85	262.97	**-9.33**

Wheat Daily Prices and Arrivals on 4.7.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7/4/2014	**7/3/2014**	
New Delhi	Lawrence Road	Mill Delivery	1525	1530	**-5**
	Narella	Mill Quality(Loose)	1460	1475	**-15**
	Nazafgarh	Mill Quality(Loose)	1460	1465	**-5**
Gujarat	Rajkot	Mill Delivery	1570	1580	**-10**
	Ahmedabad	Mill Delivery	1650	1650	**Unch**
	Surat	Mill Delivery	1670	1680	**-10**
Madhya Pradesh	Bhopal	Lokwan	1650	1650	**Unch**
	Indore	Mill Delivery	1500	1500	**Unch**
Rajasthan	Kota	Mill Quality(Loose)	1460	1460	**Unch**
		Mill Delivery	1535	1535	**Unch**
Uttar	Kanpur	Mill Delivery	1490	1490	**Unch**

Pradesh	Mathura	Mill Quality(Loose)	1435	1425	10
	Kosi	Mill Quality(Loose)	1400	1420	-20
	Hathras	Mill Quality(Loose)	1385	1375	10
	Aligarh	Mill Quality(Loose)	1380	1380	Unch
Punjab	Khanna	Mill Quality(Loose)	1410	1410	Unch
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Quality(Loose)	1418	1415	3
	Hodal	Mill Delivery	1385	1390	-5
	Bhiwani	Mill Quality(Loose)	1405	1400	5
	Karnal	Mill Quality(Loose)	NA	NA	-
	Panipat	Mill Quality(Loose)	NA	NA	-
Tamil Nadu	Chennai	Mill Quality(Loose)	1810	1810	Unch
	Madurai	Mill Quality(Loose)	1867	1867	Unch
	Coimbatore	Mill Quality(Loose)	1867	1867	Unch
Bihar	Sitamari	Mill Delivery	NA	NA	-
	Khagariya	Mill Delivery	1450	1450	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality(Loose)	1640	1640	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality(Loose)	1640	1640	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7/4/2014	7/3/2014	
New Delhi	Lawrence Road	Mill Delivery	8000	15000	-7000
	Narella	Mill Quality(Loose)	400	400	Unch
	Nazafgarh	Mill Quality(Loose)	500	500	Unch
Gujarat	Rajkot	Mill Quality(Loose)	1100	1700	-600
	Ahmedabad	Mill Delivery	NA	NA	-
Madhya Pradesh	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality(Loose)	1000	1000	Unch
Rajasthan	Kota	Mill Quality(Loose)	8000	8000	Unch
Uttar Pradesh	Kanpur	Mill Delivery	NA	NA	-
	Mathura	Mill Quality(Loose)	1000	1500	-500
	Kosi	Mill Quality(Loose)	200	400	-200
	Hathras	Mill Quality(Loose)	300	400	-100
	Aligarh	Mill Quality(Loose)	1000	1000	Unch
Punjab	Khanna	Mill Quality(Loose)	1000	1000	Unch
	(Ludhiana)Jagraon	Mill Quality(Loose)	NA	NA	-
Haryana	Sirsa	Mill Quality(Loose)	200	200	Unch
	Hodal	Mill Quality(Loose)	200	200	Unch
	Bhiwani	Mill Quality(Loose)	500	500	Unch

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

Wheat Products Delhi	7/4/2014	7/3/2014	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