

Wheat Domestic Fundamentals:

- Wheat stock in central pool warehouses was registered at 39.37 million T on 01 July compared to 41.58 million T on 1st June 2014. The highest accumulated stock is in Punjab (15.56 million T) followed by Madhya Pradesh (7.93 million tonne) and Haryana (7.55 million Tonne) as on 01.07.2014.
- Cash wheat market traded weak despite end of procurement season and lower arrivals in major markets. Supply side is ample as private players are releasing stock, meant for export, in domestic market. However, cash market may trade up as festive demand for wheat products would remain supportive in the weeks ahead. As market is ruling at lower level and has adjusted the impact of additional supply from private trade, more dip is unlikely from current level.
- ITC can start procuring wheat once again in Uttar Pradesh. Government would start releasing wheat for OMSS in August and price for OMSS may be revised slightly up (Rs 50 per qtl.) from last year. All these developments may encourage wheat price from the 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:

- The wheat market was mostly higher in pre-long weekend book-squaring and consolidation. Weekly export sales of 567,500 MT beat trade expectations of 300-450,000 MT thanks to Brazil taking 140,500 MT.
- The FAO raised their outlook on the global wheat crop in 2014/15 by 4 MMT from last month to 707 MMT. That increase came "mostly on improved prospects in Brazil, the EU, India and Russia, more than offsetting downward adjustments in Pakistan, Ukraine and the US. FAO has cut 2014/15 ending stocks however by 2 MMT to 180 MMT, although that's still 6 MMT up on 2013/14.
- In Canada, overall conditions of seeded crops remain generally favourable, however concerns increased in the Prairie region due to stormy, wet, and unseasonably cool weather.
- 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.

Domestic market Outlook:

Wheat cash market may stay steady to slightly firm.

NCDEX Wheat Futures								Date:08:07:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
July-14	5	1524	1529	1522	1526	2,530	900	6,380	-2,710
Aug-14	2	1537	1540	1535	1538	2,510	1,440	8,100	1,760
Sept-14	4	1560	1564	1560	1564	90	50	240	60

Spread	July-14	Aug-14	Sept-14	Oct-14
Spot	-1			
July-14		12		
Aug-14			26	
Sept-14				

Stocks	Demat	In- Process	Total	FED
	7.7.2014	7.7.2014	7.7.2014	7.7.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7659	548	8207	8207
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 07.07.14 (USD/T)							
CONTRACT MONTH	07 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	200.23	209.79	228.06	248.00	223.47	257.46	-22.23
14-May	204.55	213.37	232.10	251.03	227.15	260.30	-21.42
14-Jul	213.28	221.36	240.37	255.53	232.29	263.06	-18.92
14-Sep	221.63	229.72	246.89	259.02	235.41	264.34	-16.16
14-Dec	227.24	234.86	250.20	260.67	235.87	263.61	-13.80
15-Mar	231.46	238.63	251.85	258.93	233.85	262.97	-11.98

Wheat Daily Prices and Arrivals on 8.7.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Jul-14	07-Jul-14	
Delhi	Lawrence Road	Mill Delivery	1525	1520	5
	Narella	Mill Quality Loose	1480	1470	10
	Nazafgarh	Mill Quality Loose	1460	1460	Unch
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1675	1660	15
	Surat	Mill Delivery	1700	1680	20
M.P.	Bhopal	Lokwan	1650	1700	-50
	Indore	Mill Delivery	1600	1580	20
Rajasthan	Kota	Mill Quality Loose	1460	1450	10
		Mill Delivery	1525	1550	-25
U.P.	Kanpur	Mill Delivery	1490	1490	Unch

	Mathura	Mill Quality Loose	1430	1430	Unch
	Kosi	Mill Quality Loose	1400	1400	Unch
	Hathras	Mill Quality Loose	1400	1410	-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 Delivery loose	1420	1420	Unch
	Hodal	Mill Delivery	1550	1500	50
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	1410	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1775	1780	-5
	Madurai	Mill Quality	1832	1837	-5
	Coimbatore	Mill Quality	1832	1837	-5
Bihar	Sitamari	Mill Delivery	1525	NA	-
	Khagariya	Mill Delivery	1450	1450	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1600	1600	Unch
	Gandhidham(Rajasthan-Kota)	Mill Quality	1600	1600	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			8-Jul-14	7-Jul-14	
	Lawrence Road	Mill Delivery	2000	5000	-3000
	Narella	Mill Quality Loose	400	500	-100
	Nazafgarh	Mill Quality Loose	500	500	Unch
Gujarat	Rajkot	Mill Quality Loose	1300	1200	100
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	5000	8000	-3000
U.P.	Kanpur	Mill Quality Loose	900	900	Unch
	Mathura	Mill Quality Loose	1500	1500	Unch
	Kosi	Mill Quality Loose	200	300	-100
	Hathras	Mill Quality Loose	400	350	50
	Aligarh	Mill Quality Loose	700	1000	-300
Punjab	Khanna	Mill Quality Loose	1000	500	500
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	200	200	Unch
	Karnal	Mill Quality Loose	NA	400	-

	Bhiwani	Mill Quality Loose	500	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	8-Jul-14	7-Jul-14	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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