

Wheat Domestic Fundamentals:

- Wheat prices in Cash wheat market like Indore, Kota Delhi and Khanna are reel under pressure and bearish trend may continue this week. Arrival from private holdings continues and it is sufficient to cater current demand of the market. South Indian Floor millers are sourcing wheat from Rajasthan, Uttar Pradesh and Madhya Pradesh at around Rs.1800-Rs.2000/quintal on deliver basis and same trend is likely to continue next week too. Farmers in U.P still have marketable surplus around 20-25%. Government would start releasing wheat for OMSS probably from 1st of August and it would work as a cap if any uptrend starts.
- 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.

International Market Update:

- US wheat export may hamper with increasing freight cost in the months ahead. A rally in freight rates would be detrimental to the chances of U.S., Australian and Argentine wheat in Middle Eastern markets. Russian wheat would probably be the winner now U.S. soft red winter wheat, on a free-on-board basis, was currently \$6 a ton cheaper than Russian and Ukrainian wheat and \$5 a ton cheaper than Western Europe origins. Black Sea Region crop started hitting the market and Russian FOB quotes are hovering in the range of \$245 to \$250 per tonne.
- 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.

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 |
|--------|----------|-------------|----------|----------|
| | 8.7.2014 | 8.7.2014 | 8.7.2014 | 7.7.2014 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 8207 | 0 | 8207 | 8207 |
| Rajkot | - | - | - | - |

Wheat (CBOT) Future:

| CBOT Futures Prices: Date: 08.07.14 (USD/T) | | | | | | | |
|---|------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|
| CONTRACT MONTH | 08 July 14 | Week ago (01 July 2014) | 1 Month ago (09 June 14) | 3 Month ago (09 Apr 14) | 6 Month ago (09 Jan 14) | 1 Year ago (09 July 13) | % Change over previous year |
| 14-Mar | 200.32 | 205.65 | 225.03 | 248.82 | 218.33 | 259.66 | -22.85 |
| 14-May | 204.37 | 210.34 | 229.53 | 251.03 | 221.91 | 261.41 | -21.82 |
| 14-Jul | 213.18 | 218.60 | 238.17 | 257.27 | 226.96 | 263.98 | -19.24 |
| 14-Sep | 221.45 | 226.96 | 245.42 | 261.86 | 230.27 | 265.81 | -16.69 |
| 14-Dec | 227.15 | 232.10 | 249.56 | 264.53 | 230.64 | 265.63 | -14.49 |
| 15-Mar | 231.74 | 236.42 | 252.04 | 261.22 | 229.26 | 265.63 | -12.76 |

Wheat Daily Prices and Arrivals on 9.7.2014

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|----------------|---------------|---------------------|-----------------|----------|--------|
| New Delhi | | | 7/9/2014 | 7/8/2014 | |
| | Lawrence Road | Mill Delivery | 1535 | 1525 | 10 |
| | Narella | Mill Quality(Loose) | Closed | 1480 | - |
| | Nazafgarh | Mill Quality(Loose) | Closed | 1460 | - |
| Gujarat | Rajkot | Mill Delivery | 1600 | 1600 | Unch |
| | Ahmedabad | Mill Delivery | 1675 | 1675 | Unch |
| | Surat | Mill Delivery | 1700 | 1700 | Unch |
| Madhya Pradesh | Bhopal | Lokwan | 1650 | 1650 | Unch |
| | Indore | Mill Delivery | 1600 | 1600 | Unch |
| Rajasthan | Kota | Mill Quality(Loose) | 1480 | 1460 | 20 |
| | | Mill Delivery | 1550 | 1525 | 25 |
| Uttar | Kanpur | Mill Delivery | 1490 | 1490 | Unch |

| | | | | | |
|-------------------|----------------------------|---------------------|--------|------|-------------|
| Pradesh | Mathura | Mill Quality(Loose) | 1425 | 1430 | -5 |
| | Kosi | Mill Quality(Loose) | 1420 | 1400 | 20 |
| | Hathras | Mill Quality(Loose) | 1400 | 1400 | Unch |
| | Aligarh | Mill Quality(Loose) | Closed | 1380 | - |
| Punjab | Khanna | Mill Quality(Loose) | 1410 | 1410 | Unch |
| | (Ludhiana)Jagraon | Mill Delivery | 1500 | 1500 | Unch |
| Haryana | Sirsa | Mill Quality(Loose) | 1421 | 1420 | 1 |
| | Hodal | Mill Delivery | 1555 | 1550 | 5 |
| | 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 | 1775 | 25 |
| | Madurai | Mill Quality(Loose) | 1857 | 1832 | 25 |
| | Coimbatore | Mill Quality(Loose) | 1857 | 1832 | 25 |
| Bihar | Sitamari | Mill Delivery | NA | 1525 | - |
| | Khagariya | Mill Delivery | NA | 1450 | - |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality(Loose) | 1600 | 1600 | Unch |
| | Gandhidham(Rajasthan-Kota) | Mill Quality(Loose) | 1600 | 1600 | Unch |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------------------|-------------------|---------------------|---------------------|-----------------|--------------|
| New Delhi | | | 7/9/2014 | 7/8/2014 | |
| | Lawrence Road | Mill Delivery | 3000 | 2000 | 1000 |
| | Narella | Mill Quality(Loose) | Closed | 400 | - |
| | Nazafgarh | Mill Quality(Loose) | Closed | 500 | - |
| Gujarat | Rajkot | Mill Quality(Loose) | 1800 | 1300 | 500 |
| | Ahmedabad | Mill Delivery | NA | NA | - |
| Madhya Pradesh | Bhopal | Lokwan | NA | NA | - |
| | Indore | Mill Quality(Loose) | 3000 | 3000 | Unch |
| Rajasthan | Kota | Mill Quality(Loose) | 4000 | 5000 | -1000 |
| Uttar Pradesh | Kanpur | Mill Delivery | 900 | 900 | Unch |
| | Mathura | Mill Quality(Loose) | 2000 | 1500 | 500 |
| | Kosi | Mill Quality(Loose) | 200 | 200 | Unch |
| | Hathras | Mill Quality(Loose) | 300 | 400 | -100 |
| | Aligarh | Mill Quality(Loose) | Closed | 700 | - |
| Punjab | Khanna | Mill Quality(Loose) | 1200 | 1000 | 200 |
| | (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) | 200 | 500 | -300 |

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

| Wheat Products Delhi | 7/9/2014 | 7/8/2014 | Change |
|------------------------------|----------|----------|--------|
| Atta (50kg) Ordinary | 915 | 940 | -25 |
| Maida Grade 1 (90kg) | 2157 | 2112 | 45 |
| Maida Grade 1 (50KG) | 1180 | 1155 | 25 |
| 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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