

Wheat Domestic Fundamentals:

- Cash wheat markets takes note of the govt's latest decision of releasing 10 million tonne wheat for bulk buyers from August to March 2015 through e-tendering process. Wheat prices in major markets dip by Rs 10 to Rs 20 per qtl. Supply side is now bound to increase as quantity approved is 1.5 million tonne higher than last year for the same period of time.
- Private and bulk buyers had brought 5.8 million tonne wheat in eight months, from August to March against allocation of 8.5 million tonne. This year higher quantity would continue to regulate price even in the lean season as old crop would be available around Rs 1500 per qtl. plus freight charges. New wheat would be given at 5 percent premium that means at Rs 1575 per qtl, lower than current prevailing prices.
- This decision would not allow private traders to drag price up for their own interests. Availability would be enough throughout the season. As quantity is higher, private trade would not be able to offtake more than 6.5 million tonne. However, there is a possibility of higher offtake, if international market gets firmer on Russian/Ukrainian/US issue.
- If wheat price in global market crosses over \$285 per Tonne, private trade may start taking new wheat through tender and think of exporting it. But such possibility is remote as prices in global market is ruling around \$230 to \$240 per tonne right now.
- Wheat cash markets in Uttar Pradesh get firmer on the back of improved demand from Rajasthan and Delhi. Demand from roller flour mills have improved during last one week. Festive season in India starts from 1st August and continue till November and during this period demands for wheat product increase considerably.

International Market Update:

- Wheat harvesting in Kansas is heading towards final stage and would be over by the end of this month. According to national agriculture statistics service almost 95 percent wheat harvested from new crop is now in store. The quality is good and recent rains have not impacted quality of the grain. Harvesting reached near finishing line almost delayed by 15 days in comparison to last year.
- As per latest update by USDA global wheat production is bound to increase from June estimate of 701.62 million tonnes to 705.17 million tonne in 2014-15. Production in US would increase from 1.942 to 1.992 billion bushel. Pressure on global wheat market would likely to continue as corn prices are ruling lower \$3.835 bushel. Global corn production too is estimated at higher side and it would reduce demand for feed grade wheat. Recent firmness is due to short covering and investor's interest at current level.
- 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.

Domestic market Outlook:

Wheat cash market may stay steady to slightly firm.

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Spread	July-14	Aug-14	Sept-14	Oct-14
Spot	-18			
July-14		-7		
Aug-14			--	
Sept-14				

Stocks	Demat	In- Process	Total	FED
	25.7.2014	25.7.2014	25.7.2014	21.7.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8207	0	8207	8207
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 25.07.14 (USD/T)							
CONTRACT MONTH	25 July 14	Week ago (18 July 2014)	1 Month ago(25 June 14)	3 Month ago(25 Apr 14)	6 Month ago(25 Jan 14)	1 Year ago(25 July 13)	% Change over previous year
14-Sep	197.66	195.55	211.44	257.27	207.67	238.53	-17.14
14-Dec	205.65	204.37	214.65	260.21	209.97	242.76	-15.29
15-Mar	213.64	212.27	222.64	263.24	211.99	246.80	-13.44
15-May	219.06	217.78	230.73	268.39	215.11	249.19	-12.09
15-Jul	223.47	222.28	235.69	272.89	219.98	247.81	-9.82
15-Sep	227.97	226.41	239.36	274.54	223.84	250.47	-8.98

Wheat Daily Prices and Arrivals on 26.7.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jul-14	25-Jul-14	
Delhi	Lawrence Road	Mill Delivery	1580	1585	-5
	Narella	Mill Quality Loose	1510	1515	-5
	Nazafgarh	Mill Quality Loose	1515	1525	-10
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1710	1710	Unch
	Surat	Mill Delivery	1725	1730	-5
M.P.	Bhopal	Lokwan	1700	1700	Unch
	Indore	Mill Delivery	Closed	1650	-
Rajasthan	Kota	Mill Quality Loose	Closed	1500	-
		Mill Delivery	Closed	1580	-
U.P.	Kanpur	Mill Delivery	1560	1560	Unch
	Mathura	Mill Quality Loose	1430	1460	-30
	Kosi	Mill Quality Loose	1430	1450	-20

	Hathras	Mill Quality Loose	1410	1415	-5
	Aligarh	Mill Quality Loose	1430	1440	-10
Punjab	Khanna	Mill Quality Loose	1425	1450	-25
	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
Haryana	Sirsa	Mill Delivery loose	1450	1450	Unch
	Hodal	Mill Delivery	1580	1580	Unch
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	1490	1490	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	NA	1800	-
	Madurai	Mill Quality	NA	1857	-
	Coimbatore	Mill Quality	NA	1857	-
Bihar	Sitamari	Mill Delivery	NA	NA	-
	Khagariya	Mill Delivery	NA	1450	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	NA	1650	-
	Gandhidham(Rajasthan-Kota)	Mill Quality	NA	1650	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			26-Jul-14	25-Jul-14	
	Lawrence Road	Mill Delivery	13000	10000	3000
	Narella	Mill Quality Loose	400	500	-100
	Nazafgarh	Mill Quality Loose	300	200	100
Gujarat	Rajkot	Mill Quality Loose	1300	1600	-300
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	Closed	700	-
Rajasthan	Kota	Mill Quality	Closed	3000	-
U.P.	Kanpur	Mill Quality Loose	800	800	Unch
	Mathura	Mill Quality Loose	1000	2000	-1000
	Kosi	Mill Quality Loose	200	150	50
	Hathras	Mill Quality Loose	300	200	100
	Aligarh	Mill Quality Loose	250	250	Unch
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	500	300	200
	Panipat	Mill Quality Loose	NA	NA	-

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