

## Wheat Domestic Fundamentals:

- Cash wheat market may trade slightly up from current level as arrivals in major markets of producing states like Uttar Pradesh, Punjab, Haryana and Bihar have contracted in recent weeks due to farmers engagements in paddy trans-planting. Lower arrivals from farmers end and increasing demand for wheat products ahead of festival season would remain supportive for the cash wheat market fundamentals. Wheat is being traded in the range of Rs 1450 to Rs1575 per qtl. in various markets. Agriwatch expects market to move up at least by Rs 30 to RS 45 per qtl. from current level. Supply from private trades would continue.
- However, any major spike in wheat market in the third quarter is unlikely due to intended supply of 10 million tonne in next eight months from central pool stock at the base price of Rs 1500 and Rs 1575 per qtl. for old and new crop respectively. As wheat prices in Uttar Pradesh, Punjab, Haryana and Rajasthan are hovering around Rs 1450 to Rs 1575 per qtl. currently, offtake from central pool would be lower than expectation.
- With higher allocation of wheat govt. has ensured ample availability for the rest of the year and any attempt to drag wheat price up would not be materialized. Export window is not wide open now with declining price world over and private trades would have to release their stock in domestic market. Global FOB quotes range \$230 to \$235 per tonne(US & Black Sea Region) while Indian exporters are not able to offer below \$280 per tonne. The huge difference of \$50 per tonne would not allow smooth export from India In next four –five months.
- Rake loading from Kota to South India continues at Rs 1840/Rs 1850 per qtl. on delivered basis. Wheat from Bulandshahar to Delhi is loaded at Rs 1575 to Rs 1580 per qtl. Millers in Punjab and Haryana are sourcing wheat from local markets as higher freight from Mathura region to Chandigarh and other markets in Punjab brings parity at negligible level. August Onward arrivals in markets would increase once again as by then farmers would have been finished paddy trans-planting.

### International Market Update:

- Lebanon has purchased about 7,000 tonnes of Black Sea-origin milling wheat. The price for the 12.5 percent protein content wheat was \$253 a tonne c&f. Importers in Indonesia have also purchased an unknown volume of Black Sea wheat of 11.5 percent protein in containers at \$271 a tonne c&f.
- Private Iraqi grain traders have not been able get trucks across the Syrian border to complete a deal, first agreed in June, to buy 200,000 tonnes of wheat from Syria's state grain body due to conflict raging in both countries.
- 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.**

[illegible]

| Spread  | July-14 | Aug-14 | Sept-14 | Oct-14 |
|---------|---------|--------|---------|--------|
| Spot    | -12     |        |         |        |
| July-14 |         | -5     |         |        |
| Aug-14  |         |        |         |        |
| Sept-14 |         |        |         |        |

| Stocks | Demat     | In- Process | Total     | FED       |
|--------|-----------|-------------|-----------|-----------|
|        | 30.7.2014 | 30.7.2014   | 30.7.2014 | 29.7.2014 |
| Delhi  | -         | -           | -         | -         |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | 8207      | 0           | 8207      | 8207      |
| Rajkot | -         | -           | -         | -         |

### Wheat (CBOT) Future:

| CBOT Futures Prices: Date: 29.07.14 (USD/T) |            |                         |                         |                        |                        |                        |                             |
|---|------------|-------------------------|-------------------------|------------------------|------------------------|------------------------|-----------------------------|
| CONTRACT MONTH                              | 29 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                                      | 191.05     | 195.55                  | 211.44                  | 257.27                 | 207.67                 | 238.53                 | -17.14                      |
| 14-Dec                                      | 199.77     | 204.37                  | 214.65                  | 260.21                 | 209.97                 | 242.76                 | -15.29                      |
| 15-Mar                                      | 208.78     | 212.27                  | 222.64                  | 263.24                 | 211.99                 | 246.80                 | -13.44                      |
| 15-May                                      | 214.38     | 217.78                  | 230.73                  | 268.39                 | 215.11                 | 249.19                 | -12.09                      |
| 15-Jul                                      | 218.24     | 222.28                  | 235.69                  | 272.89                 | 219.98                 | 247.81                 | -9.82                       |
| 15-Sep                                      | 222.83     | 226.41                  | 239.36                  | 274.54                 | 223.84                 | 250.47                 | -8.98                       |

### Wheat Daily Prices and Arrivals on 31.7.2014

| Centre    | Market        | Variety            | Prices (Rs/Qtl) |           | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
|           |               |                    | 31-Jul-14       | 30-Jul-14 |        |
| Delhi     | Lawrence Road | Mill Delivery      | 1585            | 1585      | Unch   |
|           | Narella       | Mill Quality Loose | 1515            | Closed    | -      |
|           | Nazafgarh     | Mill Quality Loose | 1520            | Closed    | -      |
| Gujarat   | Rajkot        | Mill Delivery      | 1580            | 1580      | Unch   |
|           | Ahmedabad     | Mill Delivery      | 1700            | 1700      | Unch   |
|           | Surat         | Mill Delivery      | 1725            | 1725      | Unch   |
| M.P.      | Bhopal        | Lokwan             | 1600            | 1700      | -100   |
|           | Indore        | Mill Delivery      | 1640            | 1640      | Unch   |
| Rajasthan | Kota          | Mill Quality Loose | 1510            | 1510      | Unch   |
|           |               | Mill Delivery      | 1600            | 1600      | Unch   |
| U.P.      | Kanpur        | Mill Delivery      | 1565            | 1565      | Unch   |
|           | Mathura       | Mill Quality Loose | 1460            | 1450      | 10     |

|            |                            |                     |      |      |      |
|------------|----------------------------|---------------------|------|------|------|
|            | Kosi                       | Mill Quality Loose  | 1450 | 1450 | Unch |
|            | Hathras                    | Mill Quality Loose  | 1410 | NR   | -    |
|            | Aligarh                    | Mill Quality Loose  | 1420 | NA   | -    |
| Punjab     | Khanna                     | Mill Quality Loose  | 1400 | 1400 | Unch |
|            | (Ludhiana)Jagraon          | Mill Delivery       | 1500 | 1500 | Unch |
| Haryana    | Sirsa                      | Mill Delivery loose | 1455 | 1455 | Unch |
|            | Hodal                      | Mill Delivery       | 1580 | 1580 | Unch |
|            | Karnal                     | Mill Quality Loose  | NA   | NA   | -    |
|            | Bhiwani                    | Mill Quality Loose  | 1480 | 1480 | Unch |
|            | Panipat                    | Mill Quality Loose  | NA   | NA   | -    |
| Tamil Nadu | Chennai                    | Mill Quality        | 1800 | 1800 | Unch |
|            | Madurai                    | Mill Quality        | 1857 | 1857 | Unch |
|            | Coimbatore                 | Mill Quality        | 1857 | 1857 | Unch |
| Bihar      | Sitamari                   | Mill Delivery       | NR   | NA   | -    |
|            | Khagariya                  | Mill Delivery       | 1475 | 1450 | 25   |
| FOR        | Kandla(Rajasthan-Kota)     | Mill Quality        | 1650 | 1650 | Unch |
|            | Gandhidham(Rajasthan-Kota) | Mill Quality        | 1650 | 1650 | Unch |

| Centre    | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| Delhi     |                   |                    | 31-Jul-14           | 30-Jul-14 |        |
|           | Lawrence Road     | Mill Delivery      | 13000               | 7000      | 6000   |
|           | Narella           | Mill Quality Loose | 400                 | Closed    | -      |
|           | Nazafgarh         | Mill Quality Loose | 200                 | Closed    | -      |
| Gujarat   | Rajkot            | Mill Quality Loose | 1200                | 2200      | -1000  |
|           | Ahmedabad         | Mill Delivery      | NA                  | NA        | -      |
| M.P.      | Bhopal            | Lokwan             | NA                  | NA        | -      |
|           | Indore            | Mill Quality Loose | 5000                | 5000      | Unch   |
| Rajasthan | Kota              | Mill Quality       | 5000                | 6000      | -1000  |
| U.P.      | Kanpur            | Mill Quality Loose | 500                 | 500       | Unch   |
|           | Mathura           | Mill Quality Loose | 1000                | 500       | 500    |
|           | Kosi              | Mill Quality Loose | 100                 | 100       | Unch   |
|           | Hathras           | Mill Quality Loose | 300                 | NA        | -      |
|           | Aligarh           | Mill Quality Loose | 500                 | NA        | -      |
| Punjab    | Khanna            | Mill Quality Loose | 200                 | 200       | Unch   |
|           | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| Haryana   | Sirsa             | Mill Quality Loose | 200                 | 200       | Unch   |
|           | Hodal             | Mill Quality Loose | 100                 | 200       | -100   |
|           | Karnal            | Mill Quality Loose | NA                  | NA        | -      |
|           | Bhiwani           | Mill Quality Loose | 200                 | 500       | -300   |

|  |         |                    |    |    |   |
|--|---------|--------------------|----|----|---|
|  | Panipat | Mill Quality Loose | NA | NA | - |
|--|---------|--------------------|----|----|---|

| Wheat Products Delhi         | 31-Jul-14 | 30-Jul-14 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary         | 915       | 915       | Unch   |
| Maida Grade 1 (90kg)         | 2202      | 2202      | Unch   |
| Maida Grade 1 (50KG)         | 1205      | 1205      | Unch   |
| Suji (50kg)                  | 1180      | 1180      | Unch   |
| Chokar (50 kg)               | 573       | 573       | Unch   |
| Chokar (34 kg)               | 367       | 367       | 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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