

## **Wheat Daily Report**

25<sup>th</sup> August 2014

### **Wheat Domestic Fundamentals:**

- Indian Wheat demand may increase in the international market as rain may hamper the quality of wheat in France and ongoing tension between Russia and Ukraine. FoB price of Indian wheat around \$275-280/ tonne as compare to \$240-250/tonne of Russia, but freight charges is lower in India.
- **Supply side remains ample and govt has ensured more supply** by allocating wheat at predetermined price through OMSS. As OMSS prices are ruling at par with open market price, offtake from central pool stock is likely to remain restricted in August and Sept. Wheat may trade in the range of Rs 1450 to Rs 1575 per qtl.
- Wheat is being loaded from Rajasthan to South Indian markets in the range of RS 1850/1870 per tonne on delivered basis. Wheat for same destination is being loaded from Uttar Pradesh at Rs 1825 to Rs 1830 per qtl. however, there is a difference of quality.
- Wheat market may move slightly up from current level of RS 1450 to Rs 1550 per qtl to Rs 1600/1650 per qtl. by October. The difference of RS 75 to RS 100 per qtl between private and OMSS price may encourage millers to receive wheat from central pool stock. Right now there is a marginal difference between the two. So private trade/millers would prefer to source wheat from open market. The reason is mainly attributed to 15 days credit and 1 to 1.5 percent cash discount.
- Wheat stock in central pool warehouses was registered at 38.10 million T on 01 August compared to 39.37 million T on 1st July 2014. The highest accumulated stock is in Punjab (14.93 million T) followed by Madhya Pradesh (7.52 million tonne) and Haryana (7.07 million Tonne) as on 01.08.2014.
- According to IBIS (provisional data), export of wheat in the month of July was 1.37 Lakh tones which is around 69% less than last year at the same month, which was 4.46 Lakh tones in July 2013. The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine.
- The CACP (Commission for Agricultural Costs and Prices) would announce the MSP for rabi crop soon and market expects marginal increase in the MSP of wheat for 2014-15. Market participants are of the view that MSP may be increase from 2 to 3 percent for rabi crops to contain the inflationary pressure. Experts assume that wheat MSP might be fixed in between Rs 1420 to RS 1450 per quintal for ensuing rabi season.

### **International Market Update:**

- Pakistan's flour millers bought around 100,000 tons of wheat from the Black Sea region this week, while importers in Bangladesh booked 50,000 tons. Importers in Pakistan paid \$269.50 a ton, including cost and freight, for two cargoes of wheat with 11.5% protein. One cargo is scheduled to be shipped in October and the other is for arrival between October 15 and November 15.Buyers in Bangladesh paid \$255 a ton for 50,000 tons of wheat with 10.5% protein. It is due for shipment in the second half of September.
- Inflation and domestic demand of wheat in Russia is fulfilled with bumper production and falling of domestic prices whereas weakening of rouble has supported export of wheat from Russia. The largest buyers of Russian wheat in 2013/14 (July/June) were Egypt, Turkey, Yemen and Iran.
- U.S. export sales of wheat were 801,007 metric tons in the week-ended July 24, up 81 percent from a week earlier, according to the U.S. Department of Agriculture.

### **Domestic market Outlook:**

Wheat cash market may stay steady to slightly firm.

NCDEX	NCDEX Wheat Futures							Date:	23:08:2014
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Sep-14	-	-	-	-	-	-	-	-	-
Oct-14	-	-	-	-	-	-	-	-	-
Nov-14	-	-	-	-	-	-	-	-	-



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Spread	Sept-14	Oct-14	Nov-14	Dec-14
Spot				
Sept-14				
Oct-14				
Nov-14				

Stocks	Demat	In- Process	Total	FED
	22.8.2014	22.8.2014	22.8.2014	18.8.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8207	0	8207	8207
Rajkot	-	-	-	-

### Wheat (CBOT) Future:

	CBOT Futures Prices: Date: 22.08.14 (USD/T)							
CONTRACT MONTH	21 August 14	Week ago (14 Aug 2014)	1 Month ago(22 July 14)	3 Month ago(22 May 14)	6 Month ago(24 Feb 14)	1 Year ago(22 August 13)	% Change over previous year	
14-Sep	202.80	197.39	192.70	246.16	231.19	244.60	-17.09	
14-Dec	206.57	203.08	201.61	252.86	235.87	249.46	-17.19	
15-Mar	213.18	210.52	210.34	259.11	239.09	251.76	-15.32	
15-May	216.49	215.20	216.12	261.86	239.82	251.58	-13.95	
15-Jul	218.97	218.69	220.99	262.78	236.79	249.28	-12.16	
15-Sep	222.55	223.10	225.58	264.62	238.72	249.74	-10.89	

Wheat Daily Prices and Arrivals on 23.8.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Aug-14	22-Aug-14	
Dalh:	Lawrence Road	Mill Delivery	1575	1580	-5
Delhi	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	1515	1510	5
	Rajkot	Mill Delivery	1570	1580	-10
Gujarat	Ahmedabad	Mill Delivery	1690	1700	-10
	Surat	Mill Delivery	1710	1720	-10
M D	Bhopal	Lokwan	1550	1550	Unch
М.Р.	Indore	Mill Delivery	1630	1630	Unch
Doiogthon	***	Mill Quality Loose	1485	1480	5
Rajasthan	Kota	Mill Delivery	1560	1550	10
II D	Kanpur	Mill Delivery	1575	1575	Unch
U.P.	Mathura	Mill Quality Loose	1450	1450	Unch



# Wheat Daily Report 25<sup>th</sup> August 2014

	Kosi	Mill Quality Loose	1455	1455	Unch
	Hathras	Mill Quality Loose	1420	NR	-
	Aligarh	Mill Quality Loose	1430	1430	Unch
Punjab	Khanna	Mill Quality Loose	1425	1425	Unch
Pulijab	(Ludhiana)Jagraon	Mill Delivery	1500	1500	Unch
	Sirsa	Mill Delivery loose	1465	1460	5
	Hodal	Mill Delivery	1580	1580	Unch
Haryana	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	1470	1470	Unch
	Panipat	Mill Quality Loose	NA	NA	-
,	Chennai	Mill Quality	1800	1800	Unch
Tamil Nadu	Madurai	Mill Quality	1857	1857	Unch
Nucu	Coimbatore	Mill Quality	1857	1857	Unch
Bihar	Sitamari	Mill Delivery	1620	1620	Unch
binar	Khagariya	Mill Delivery	1450	1450	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1650	1670	-20
FUK	Gandhidham(Rajasthan-Kota)	Mill Quality	1650	1670	-20

Centre	Market	Variety	Arrivals (	Bags/Qtl)	Change
			23-Aug-14	22-Aug-14	
Delhi	Lawrence Road	Mill Delivery	13000	12000	1000
Denn	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	400	200	200
Gujarat	Rajkot	Mill Quality Loose	1400	1200	200
Gujarat	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
M.F.	Indore	Mill Quality Loose	2500	2500	Unch
Rajasthan	Kota	Mill Quality	8000	11000	-3000
	Kanpur	Mill Quality Loose	600	600	Unch
	Mathura	Mill Quality Loose	500	500	Unch
U.P.	Kosi	Mill Quality Loose	100	150	-50
	Hathras	Mill Quality Loose	150	NA	-
	Aligarh	Mill Quality Loose	200	300	-100
Duniah	Khanna	Mill Quality Loose	400	500	-100
Punjab -	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
	Sirsa	Mill Quality Loose	300	300	Unch
Homione	Hodal	Mill Quality Loose	100	200	-100
Haryana -	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	500	400	100



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25<sup>th</sup> August 2014

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	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	23-Aug-14	22-Aug-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)	648	648	Unch
Chokar (34 kg)	409	409	Unch
Chakki Atta (50kg)	965	965	Unch
Chakki Atta (50kg) Special	985	985	Unch
Chakki Atta (90kg) Superfine	1800	1800	Unch
Chakki Atta (50kg) Superfine	990	990	Unch

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