

Wheat Domestic Fundamentals:

- **Wheat cash market continues to trade steady to slightly lower on the** back of ample supply side through private and govt.'s channel. Millers have started buying from central pool stock as per their requirements. Private stockists too are releasing stock with diminishing possibility of firmness.
- **Market is well aware of emerging scenario that govt. has allocated** 10 million tonne wheat for OMSS for rest of the season, up to March,2015.It would ensure ample supply throughout the season and not allow market to move up beyond a certain level. Export opportunity has turned pale and Indian wheat remains uncompetitive.
- **According to IBIS (provisional data), export of wheat in the month of August** was 0.43 Lakh tonnes which is around 69% less than last year at the same month, which was 1.37 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.
- **Recommendation by CACP for wheat MSP is most likely to be accepted by** the govt. for ensuing season 2015-16, starting from April,2015. Commission for Agricultural Costs and Prices has suggested to hike of Rs 50 per qtl for wheat to Rs 1450 .However, it will not impact current price of wheat as supply side would be at comfortable level.
- **As export disparity continues to hover in the range of \$30 to \$35 per tonne**, export volume is unlikely to improve in sept/Oct too. As lean season has started in India, no major fall from current level is expected in the third quarter of the year. India would be able to export some quantity in neighboring countries
- **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 stock in central pool as on 1st Sept.,2014 was registered at 354.98 lakh tonne** which is almost 2.5 times higher than 140 lakh tonne required on 1st October,2014 under buffer and strategic reserve.

International Market Update:

- **Egypt had bought 60,000 tonnes of French wheat from Granit** and 60,000 tonnes of Romanian wheat from Bunge at an average price of \$258.89/tonne (CiF). Earlier Egypt had stopped buying from France as they don't allow import of wheat with moisture content was more than 13 percent whereas in 2013 the average moisture content of France wheat was 13.5. In June, Egypt raised its tolerance again for moisture content to 13.5 percent, albeit with heavier penalties, but had not made a French wheat purchase due to lower price offered by Russian, Romanian and Ukrainian.
- **South Korean mill CJ Cheiljedang Corp bought 21,200 tonnes wheat** (max. 10.5 protein) at Fob around \$260-263/ tonne and 4,900 tonnes wheat (max. 8.5 protein) at Fob \$300/ tonne from U.S. which is scheduled for shipment between Jan. 1 and 31, 2015.
- **The International Grains Council raised its forecast for global wheat** production in 2014/15 to 713 million tonnes, up from a previous forecast of 702 million. Better production in Russia, the European Union and China is the main reason for increase in production estimate.

Domestic market Outlook:

Wheat cash market may stay steady.

| NCDEX Wheat Futures | | | | | | | | Date:09:09:2014 | |
|---------------------|-----|------|------|------|-------|--------|--------|-----------------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Sep-14 | 23 | 1551 | 1551 | 1551 | 1551 | 10 | -3400 | 1670 | -40 |
| Oct-14 | -1 | 1560 | 1570 | 1550 | 1564 | 3410 | --3770 | 6430 | 50 |
| Nov-14 | -6 | 1585 | 1585 | 1585 | 1585 | 30 | 100 | 610 | 0 |

Wheat Daily Report

13th September, 2014

| Spread | Sept-14 | Oct-14 | Nov-14 | Dec-14 |
|---------|---------|--------|--------|--------|
| Spot | | | | |
| Sept-14 | 35 | | | |
| Oct-14 | | 16 | | |
| Nov-14 | | | 19 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 11.9.2014 | 11.9.2014 | 11.9.2014 | 08.9.2014 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 8207 | 0 | 8207 | 8207 |
| Rajkot | - | - | - | - |

Wheat (CBOT) Future:

| CBOT Futures Prices: Date: 11.09.14 (USD/T) | | | | | | | |
|---|------------|------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-----------------------------|
| CONTRACT MONTH | 11 Sept 14 | Week ago (04 Sep 2014) | 1 Month ago (11 Aug 14) | 3 Month ago (11 June 14) | 6 Month ago (11 Mar 14) | 1 Year ago (11 Sept 13) | % Change over previous year |
| 14-Sep | 184.80 | 192.98 | 200.78 | 220.99 | 247.17 | 244.96 | -24.56 |
| 14-Dec | 187.19 | 194.81 | 206.75 | 230.08 | 251.30 | 248.36 | -24.63 |
| 15-Mar | 193.34 | 202.07 | 213.55 | 237.52 | 253.23 | 250.93 | -22.95 |
| 15-May | 197.39 | 206.75 | 218.14 | 241.93 | 253.60 | 251.58 | -21.54 |
| 15-Jul | 200.78 | 209.97 | 220.44 | 243.77 | 250.38 | 251.03 | -20.01 |
| 15-Sep | 204.73 | 214.38 | 224.76 | 247.44 | 251.58 | 251.39 | -18.56 |

Wheat Daily Prices and Arrivals on 12.9.2014

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
| | | | 12-Sep-14 | 11-Sep-14 | |
| Delhi | Lawrence Road | Mill Delivery | 1595 | 1590 | 5 |
| | Narella | Mill Quality Loose | 1475 | 1490 | -15 |
| | Nazafgarh | Mill Quality Loose | 1515 | 1510 | 5 |
| Gujarat | Rajkot | Mill Delivery | 1550 | 1540 | 10 |
| | Ahmedabad | Mill Delivery | 1670 | 1665 | 5 |
| | Surat | Mill Delivery | 1695 | 1690 | 5 |
| M.P. | Bhopal | Lokwan | 1500 | 1550 | -50 |
| | Indore | Mill Delivery | 1600 | 1600 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1480 | 1480 | Unch |
| | | Mill Delivery | 1550 | 1550 | Unch |
| U.P. | Kanpur | Mill Delivery | 1555 | 1555 | Unch |

| | | | | | |
|------------|----------------------------|---------------------|------|------|------|
| | Mathura | Mill Quality Loose | 1450 | 1460 | -10 |
| | Kosi | Mill Quality Loose | 1460 | 1460 | Unch |
| | Hathras | Mill Quality Loose | 1450 | 1475 | -25 |
| | Aligarh | Mill Quality Loose | 1435 | 1440 | -5 |
| Punjab | Khanna | Mill Quality Loose | 1430 | 1425 | 5 |
| | (Ludhiana)Jagraon | Mill Delivery | 1530 | 1530 | Unch |
| Haryana | Sirsa | Mill Delivery loose | 1460 | 1460 | Unch |
| | Hodal | Mill Delivery | 1610 | 1610 | Unch |
| | Karnal | Mill Quality Loose | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 1525 | 1525 | Unch |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 1775 | 1775 | Unch |
| | Madurai | Mill Quality | 1832 | 1832 | Unch |
| | Coimbatore | Mill Quality | 1832 | 1832 | Unch |
| Bihar | Sitamari | Mill Delivery | 1600 | 1590 | 10 |
| | Khagariya | Mill Delivery | 1600 | 1600 | Unch |
| 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 | | | 12-Sep-14 | 11-Sep-14 | |
| | Lawrence Road | Mill Delivery | 5000 | 7000 | -2000 |
| | Narella | Mill Quality Loose | 400 | 400 | Unch |
| | Nazafgarh | Mill Quality Loose | 200 | 200 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 1200 | 1000 | 200 |
| | Ahmedabad | Mill Delivery | NA | NA | - |
| M.P. | Bhopal | Lokwan | NA | NA | - |
| | Indore | Mill Quality Loose | 2500 | 2000 | 500 |
| Rajasthan | Kota | Mill Quality | 3000 | 3000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 700 | 700 | Unch |
| | Mathura | Mill Quality Loose | 300 | 500 | -200 |
| | Kosi | Mill Quality Loose | 150 | 150 | Unch |
| | Hathras | Mill Quality Loose | 75 | 150 | -75 |
| | Aligarh | Mill Quality Loose | 700 | 500 | 200 |
| Punjab | Khanna | Mill Quality Loose | 500 | 500 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 100 | 100 |
| | Hodal | Mill Quality Loose | 200 | 150 | 50 |
| | Karnal | Mill Quality Loose | NA | NA | - |

Wheat Daily Report

13th September, 2014

| | | | | | |
|--|---------|--------------------|-----|-----|------|
| | Bhiwani | Mill Quality Loose | 300 | 500 | -200 |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | 12-Sep-14 | 11-Sep-14 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 915 | 915 | Unch |
| Maida Grade 1 (90kg) | 2202 | 2202 | Unch |
| Maida Grade 1 (50KG) | 1205 | 1205 | Unch |
| Suji (50kg) | 1205 | 1205 | Unch |
| Chokar (50 kg) | 683 | 683 | Unch |
| Chokar (34 kg) | 430 | 430 | Unch |
| Chakki Atta (50kg) | 965 | 965 | Unch |
| Chakki Atta (50kg) Special | 985 | 985 | Unch |
| Chakki Atta (90kg) Superfine | 1816 | 1816 | Unch |
| Chakki Atta (50kg) Superfine | 990 | 990 | Unch |

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