

## Wheat Domestic Fundamentals:

- **Cash wheat market continues to reel under pressure** on ample availability ensured by govt. by allocating 10 million tonne for rest of the marketing year. Besides, there is no export demand and private trades too are lightening their stock in the market with diminishing possibility of uptrend in the lean season.
- **Millers have started purchasing wheat from central pool stock through tender** and wheat flow is likely to continue for them for the whole of the season. Demand from south Indian millers has slowed down in recent weeks. Wheat from Kota region of Rajasthan is being loaded to Bangalore at RS 1845/1850 per qtl. on delivered basis.
- **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 \$35 to \$37 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 like Bangladesh, Shrilanka.
- **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 increase in Sept. Wheat may trade in the range of Rs 1450 to Rs 1570 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:

- **USDA has said in its latest release that global wheat production will touch** at 719.95 million tonne. It is .05 percent higher than August estimate. The reason of higher production estimate is mainly attributed to higher production in Ukraine and EU. Overall wheat stock will increase by 5.3 percent from last year.
- **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 is likely to trade steady to slightly weak.

| NCDEX Wheat Futures |       |         |         |         |         |        |        | Date:15:09:2014 |        |
|---------------------|-------|---------|---------|---------|---------|--------|--------|-----------------|--------|
| Contract            | +/-   | Open    | High    | Low     | Close   | Volume | Change | OI              | Change |
| Sep-14              | 23.00 | 1568.00 | 1581.00 | 1558.00 | 1580.00 | 250    |        | 440             |        |
| Oct-14              | 0.00  | 1600.00 | 1609.00 | 1592.00 | 1596.00 | 2,090  |        | 6910            |        |
| Nov-14              | -4.00 | 1605.00 | 1610.00 | 1598.00 | 1604.00 | 1,060  |        | 1590            |        |

## Wheat Daily Report

18<sup>th</sup> 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       |
|--------|-----------|-------------|-----------|-----------|
|        | 16.9.2014 | 16.9.2014   | 16.9.2014 | 15.9.2014 |
| Delhi  | -         | -           | -         | -         |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | 8207      | 0           | 8207      | 8207      |
| Rajkot | -         | -           | -         | -         |

### Wheat (CBOT) Future:

| CBOT Futures Prices: Date: 16.09.14 (USD/T) |            |                        |                         |                          |                         |                         |                             |
|---|------------|------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-----------------------------|
| CONTRACT MONTH                              | 16 Sept 14 | Week ago (09 Sep 2014) | 1 Month ago (18 Aug 14) | 3 Month ago (16 June 14) | 6 Month ago (17 Mar 14) | 1 Year ago (16 Sept 13) | % Change over previous year |
| 14-Dec                                      | 182.32     | 193.80                 | 203.63                  | 224.57                   | 255.71                  | 245.06                  | -25.60                      |
| 15-Mar                                      | 188.38     | 199.87                 | 197.57                  | 231.19                   | 257.73                  | 247.44                  | -23.87                      |
| 15-May                                      | 192.52     | 2040.91                | 214.84                  | 235.41                   | 258.10                  | 248.18                  | -22.43                      |
| 15-Jul                                      | 195.82     | 207.40                 | 217.96                  | 237.43                   | 253.78                  | 248.09                  | -21.07                      |
| 15-Sep                                      | 200.14     | 211.62                 | 222.64                  | 240.65                   | 255.07                  | 249.37                  | -19.74                      |
| 15-Dec                                      | 206.11     | 217.32                 | 228.16                  | 245.33                   | 258.19                  | 252.86                  | -18.49                      |

### Wheat Daily Prices and Arrivals on 17.9.2014

| Centre    | Market        | Variety            | Prices (Rs/Qtl) |           | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
|           |               |                    | 17-Sep-14       | 16-Sep-14 |        |
| Delhi     | Lawrence Road | Mill Delivery      | 1610            | 1600      | 10     |
|           | Narella       | Mill Quality Loose | Closed          | 1550      | -      |
|           | Nazafgarh     | Mill Quality Loose | Closed          | 1520      | -      |
| Gujarat   | Rajkot        | Mill Delivery      | 1520            | 1530      | -10    |
|           | Ahmedabad     | Mill Delivery      | 1650            | 1620      | 30     |
|           | Surat         | Mill Delivery      | 1670            | 1650      | 20     |
| M.P.      | Bhopal        | Lokwan             | 1550            | 1550      | Unch   |
|           | Indore        | Mill Delivery      | 1600            | 1600      | Unch   |
| Rajasthan | Kota          | Mill Quality Loose | 1490            | 1490      | Unch   |
|           |               | Mill Delivery      | 1570            | 1570      | Unch   |
| U.P.      | Kanpur        | Mill Delivery      | 1565            | 1560      | 5      |

## Wheat Daily Report

### 18<sup>th</sup> September, 2014

|                   |                            |                     |        |      |             |
|-------------------|----------------------------|---------------------|--------|------|-------------|
|                   | Mathura                    | Mill Quality Loose  | 1470   | 1475 | <b>-5</b>   |
|                   | Kosi                       | Mill Quality Loose  | 1460   | 1460 | <b>Unch</b> |
|                   | Hathras                    | Mill Quality Loose  | 1470   | 1470 | <b>Unch</b> |
|                   | Aligarh                    | Mill Quality Loose  | Closed | 1440 | <b>-</b>    |
| <b>Punjab</b>     | Khanna                     | Mill Quality Loose  | 1420   | 1420 | <b>Unch</b> |
|                   | (Ludhiana).Jagraon         | Mill Delivery       | 1530   | 1530 | <b>Unch</b> |
| <b>Haryana</b>    | Sirsa                      | Mill Delivery loose | 1465   | 1460 | <b>5</b>    |
|                   | Hodal                      | Mill Delivery       | 1610   | 1610 | <b>Unch</b> |
|                   | Karnal                     | Mill Quality Loose  | NA     | NA   | <b>-</b>    |
|                   | Bhiwani                    | Mill Quality Loose  | 1500   | 1500 | <b>Unch</b> |
|                   | Panipat                    | Mill Quality Loose  | NA     | NA   | <b>-</b>    |
| <b>Tamil Nadu</b> | Chennai                    | Mill Quality        | 1775   | 1775 | <b>Unch</b> |
|                   | Madurai                    | Mill Quality        | 1832   | 1832 | <b>Unch</b> |
|                   | Coimbatore                 | Mill Quality        | 1832   | 1832 | <b>Unch</b> |
| <b>Bihar</b>      | Sitamari                   | Mill Delivery       | NA     | 1615 | <b>-</b>    |
|                   | Khagariya                  | Mill Delivery       | 1600   | 1600 | <b>Unch</b> |
| <b>FOR</b>        | Kandla(Rajasthan-Kota)     | Mill Quality        | 1650   | 1650 | <b>Unch</b> |
|                   | Gandhidham(Rajasthan-Kota) | Mill Quality        | 1650   | 1650 | <b>Unch</b> |

| Centre           | Market             | Variety            | Arrivals (Bags/Qtl) |                  | Change       |
|------------------|--------------------|--------------------|---------------------|------------------|--------------|
| <b>Delhi</b>     |                    |                    | <b>17-Sep-14</b>    | <b>16-Sep-14</b> |              |
|                  | Lawrence Road      | Mill Delivery      | 11000               | 6000             | <b>5000</b>  |
|                  | Narella            | Mill Quality Loose | Closed              | 600              | <b>-</b>     |
|                  | Nazafgarh          | Mill Quality Loose | Closed              | 500              | <b>-</b>     |
| <b>Gujarat</b>   | Rajkot             | Mill Quality Loose | 1800                | 1400             | <b>400</b>   |
|                  | Ahmedabad          | Mill Delivery      | NA                  | NA               | <b>-</b>     |
| <b>M.P.</b>      | Bhopal             | Lokwan             | NA                  | NA               | <b>-</b>     |
|                  | Indore             | Mill Quality Loose | 4000                | 4000             | <b>Unch</b>  |
| <b>Rajasthan</b> | Kota               | Mill Quality       | 5000                | 6000             | <b>-1000</b> |
| <b>U.P.</b>      | Kanpur             | Mill Quality Loose | 600                 | 600              | <b>Unch</b>  |
|                  | Mathura            | Mill Quality Loose | 200                 | 300              | <b>-100</b>  |
|                  | Kosi               | Mill Quality Loose | 100                 | 150              | <b>-50</b>   |
|                  | Hathras            | Mill Quality Loose | 250                 | 350              | <b>-100</b>  |
|                  | Aligarh            | Mill Quality Loose | Closed              | 700              | <b>-</b>     |
| <b>Punjab</b>    | Khanna             | Mill Quality Loose | 400                 | 500              | <b>-100</b>  |
|                  | (Ludhiana).Jagraon | Mill Quality Loose | NA                  | NA               | <b>-</b>     |
| <b>Haryana</b>   | Sirsa              | Mill Quality Loose | 100                 | 200              | <b>-100</b>  |
|                  | Hodal              | Mill Quality Loose | 300                 | 150              | <b>150</b>   |
|                  | Karnal             | Mill Quality Loose | NA                  | NA               | <b>-</b>     |

|  |         |                    |     |     |             |
|--|---------|--------------------|-----|-----|-------------|
|  | Bhiwani | Mill Quality Loose | 500 | 800 | <b>-300</b> |
|  | Panipat | Mill Quality Loose | NA  | NA  | -           |

| Wheat Products Delhi         | 17-Sep-14 | 16-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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