

Wheat Domestic Fundamentals:

- **As per farmer's feedback, paddy harvesting in Eastern Uttar Pradesh is under process** and likely to end up by December end, Wheat sowing is too on its full swing and expected to complete by first week of January. As per data received from Agriculture Ministry, approx 60-65% area is covered for wheat sowing in Uttar Pradesh and acreage under wheat in 2014-15 is up by around 21% from same period last year of area.
- **According to IBIS (provisional data), export of wheat in the month of November** was 0.22 Lakh tones which is around 66% less than last year at the same month, which was 0.65 Lakh tones in 2013. The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine and high domestic prices.
- **Sowing of wheat in Rajkot region of Gujarat is almost 15% completed**, wheat area in this region may decrease as compare to last year due to lack of water availability and less rain. Wheat area may go to dhaniya or zeera as farmers are getting good prices for these commodities and they need less water as well.
- **As of now Wheat area has slightly increased by 2% in comparison to last year** till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 161.57 lakh hectares against corresponding period of 2013-14(159.11 lakh hectares).
- **The Inflation of wheat has decreased to -1.92% in the month of October** as compare to -1.50% in the month of September. WPI has decreased to 209.5 in October as compare to 209.7 in the month of September. Record production and no export demand are the main reason for the decrease in WPI.

International Market Update:

- **Egypt had purchased 175000 tonnes of wheat from Romania & Ukraine** at an average price of \$271.24/tonne CiF which has to be delivered between 1-10 January. Till now from July 1st, Egypt has bought 2.425 million tonnes of wheat from the international market, in 2013-14 Egypt had purchased 5.46 million tonnes of wheat from abroad in addition to 3.7 million tonnes of local wheat.
- **Russia government might introduce few new regulations to curb exports** to make sure it has enough wheat for domestic use. Russia is a key wheat exporter to North Africa and the Middle East. Russia exports increased due to bumper production and fall in the value of the rouble currency.
- **Australia in its latest report reduced its wheat production forecast by 4%** from 24.23 million tonnes to 23.22 million tones. The main reason behind reduced production is unfavorable weather condition as all of the Australian east coast and South Australia received less than half the average amounts of rainfall over the last three months. The reduced production estimate of Australia, Russia restrictions on grain exports and concerns over U.S. wheat production may further increase global wheat prices.
- **The International Grains Council slightly lowered its forecast** for global wheat production in 2014/15 to 717 million tonnes, up from a previous forecast of 718 million. Unfavorable weather condition across the United State and the Black Sea region is the main reason for decrease in production estimate.
- **Australia wheat export in the 2014/15 season got off to a slow start** as dry weather made farmers unwilling to release supplies and exporters also had to contend with cheaper supplies from the United States. But with concerns over potential disruption to production due to unfavorable weather across the United States and the Black Sea region, Australian supplies are now competitive against other origins.

Domestic market Outlook:

Wheat cash market is likely to trade in consolidation.

NCDEX Wheat Futures								Date:05:12:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-14	5	1653	1661	1653	1658	590	450	4,730	-170
Jan-15	8	1654	1660	1654	1659	270	200	1,090	0
Feb-15	12	1647	1668	1647	1655	270	260	1,700	150

Spread	Oct-14	Nov-14	Dec-14	
Spot				
Dec-14	-38			
Jan-15		1		
Feb-15			-4	

Stocks	Demat	In- Process	Total	FED
	04.12.2014	04.12.2014	04.12.2014	01.12.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	815	0	815	815
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 03.12.14 (USD/T)							
CONTRACT MONTH	03 Dec 14	Week ago (25 Nov 2014)	1 Month ago(03 Nov 14)	3 Month ago(03 Sept 14)	6 Month ago(03 June 14)	1 Year ago(03 Dec 13)	% Change over previous year
14-Dec	219.34	202.62	197.75	196.83	237.06	251.67	-12.85
15-Mar	216.58	204.92	202.35	204.46	243.68	253.87	-14.69
15-May	218.69	207.49	204.73	209.33	210.34	253.41	-13.70
15-Jul	220.07	209.42	206.94	212.36	249.10	250.75	-12.23
15-Sep	222.55	212.27	210.70	216.21	252.13	252.86	-11.99
15-Dec	226.41	216.58	215.57	222.09	255.71	256.90	-11.87

Wheat Daily Prices and Arrivals on 05.12.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Dec-14	04-Dec-14	
Delhi	Lawrence Road	Mill Delivery	1620	1620	Unch
	Narella	Mill Quality Loose	1570	1570	Unch
	Nazafgarh	Mill Quality Loose	1525	1550	-25
Gujarat	Rajkot	Mill Delivery	1575	1580	-5
	Ahmedabad	Mill Delivery	1670	1680	-10
	Surat	Mill Delivery	1690	1700	-10
M.P.	Bhopal	Lokwan	1700	1700	Unch
	Indore	Mill Delivery	1590	NA	-
Rajasthan	Kota	Mill Quality Loose	1470	1475	-5
		Mill Delivery	1550	1570	-20
U.P.	Kanpur	Mill Delivery	1570	1575	-5
	Mathura	Mill Quality	NA	NA	-

		Loose			
	Kosi	Mill Quality Loose	1520	NA	-
	Hathras	Mill Quality Loose	Closed	1475	-
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	1460	1450	10
	(Ludhiana)Jagraon	Mill Delivery	1560	1560	Unch
Haryana	Sirsa	Mill Delivery loose	1500	1500	Unch
	Hodal	Mill Delivery	NA	NA	-
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	1565	1570	-5
	Panipat	Mill Quality Loose	0	NA	-
Tamil Nadu	Chennai	Mill Quality	1825	1825	Unch
	Madurai	Mill Quality	1882	1882	Unch
	Coimbatore	Mill Quality	1882	1882	Unch
Bihar	Sitamari	Mill Delivery	NA	1600	-
	Khagariya	Mill Delivery	NA	1650	-
FOR	Kandla(Rajasthan-Kota)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Kota)	Mill Quality	NA	NA	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Dec-14	4-Dec-14	
Delhi	Lawrence Road	Mill Delivery	1800	1500	300
	Narella	Mill Quality Loose	400	400	Unch
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	1200	800	400
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	2000	NA	-
Rajasthan	Kota	Mill Quality	6000	5500	500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	NA	NA	-

	Kosi	Mill Quality Loose	150	NA	-
	Hathras	Mill Quality Loose	Closed	80	-
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	700	500	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	NA	NA	-
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	200	200	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	5-Dec-14	4-Dec-14	Change
Atta (50kg) Ordinary	985	985	Unch
Maida Grade 1 (90kg)	2202	2202	Unch
Maida Grade 1 (50KG)	1205	1205	Unch
Suji (50kg)	1230	1230	Unch
Chokar (50 kg)	733	733	Unch
Chokar (34 kg)	490	490	Unch
Chakki Atta (50kg)	1040	1040	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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