

Wheat Domestic Fundamentals:

- **Wheat sowing in lower land in Bihar is running smoothly** while 80 percent sowing in upper land is complete now. The early sowed crop has entered in sprouting stage and farmers are engaged in second irrigation and applying fertilizers to it. The crop condition is good and decreasing temperature in major growing belt is considered beneficial to all wheat crops either in till ring or sprouting stages .Area is likely to increase slightly this year under wheat as harvesting of paddy crop in upper and lower land finished 10 to 15 days earlier. One-two shower of light winter rains expected by next week may ensure better growth of the standing crop. Over all condition of wheat crop throughout the state is satisfactory so far.
- **Ministry of Consumer Affairs, Food & Public Distribution has taken the decision** (effective for kharif 2014-15 and rabi 2015-16) clearly denotes that if any state govt. announces bonus over and above MSP, the center govt will limit procurement according to requirements of food grains for TPDS/OWS. The same is applicable in DCP states too where states procure foodgrains on behalf of central govt.If the states procure more than fixed quantity, they will not only have to bear the burden of additional expenses but also be responsible for the disposal of the surplus quantity.For non DCP states FCI will not take part in procurement oppression if the concerned states decide to offer bonus over and above MSP. The concerned states will be fully responsible to handle the entire procurement oppression including movement and storage and mobilization of resources.
- **The immediate impact of the decision will be lower procurement** by DCP states as no state would like to bear the additional burden and expenses of the surplus procurement. By applying this decision central govt too would ensure to avoid unnecessary burden of unlimited procurement. Besides, it will ensure higher supply of grains in open market and stability in the market to some extent.
- **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.

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.

Domestic market Outlook:

Wheat cash market is likely to trade steady to weak.

| NCDEX Wheat Futures | | | | | | | | Date:11:12:2014 | |
|---------------------|-----|------|------|------|-------|--------|--------|-----------------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Dec-14 | 3 | 1662 | 1664 | 1657 | 1664 | 480 | -1,190 | 2,810 | -210 |
| Jan-15 | -6 | 1660 | 1665 | 1656 | 1662 | 790 | -870 | 1,780 | 230 |
| Feb-15 | -2 | 1653 | 1664 | 1651 | 1664 | 380 | 120 | 2,090 | 100 |

| Spread | Oct-14 | Nov-14 | Dec-14 | |
|--------|--------|--------|--------|--|
| Spot | | | | |
| Dec-14 | -34 | | | |
| Jan-15 | | -2 | | |
| Feb-15 | | | 2 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|------------|-------------|------------|------------|
| | 10.12.2014 | 10.12.2014 | 10.12.2014 | 08.12.2014 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 815 | 0 | 815 | 815 |
| Rajkot | - | - | - | - |

Wheat (CBOT) Future:

| CBOT Futures Prices: Date: 09.12.14 (USD/T) | | | | | | | |
|---|-----------|------------------------|------------------------|-------------------------|-------------------------|-----------------------|-----------------------------|
| CONTRACT MONTH | 09 Dec 14 | Week ago (03 Dec 2014) | 1 Month ago(10 Nov 14) | 3 Month ago(10 Sept 14) | 6 Month ago(10 June 14) | 1 Year ago(10 Dec 13) | % Change over previous year |
| 14-Dec | 220.62 | 219.34 | 190.04 | 190.96 | 234.03 | 244.05 | -9.60 |
| 15-Mar | 215.20 | 216.58 | 193.71 | 196.93 | 241.75 | 246.43 | -12.67 |
| 15-May | 216.58 | 218.69 | 196.56 | 201.15 | 246.53 | 246.80 | -12.24 |
| 15-Jul | 217.59 | 220.07 | 198.95 | 204.92 | 248.64 | 245.70 | -11.44 |
| 15-Sep | 220.62 | 222.55 | 202.44 | 209.14 | 251.67 | 247.54 | -10.87 |
| 15-Dec | 224.48 | 226.41 | 207.31 | 214.65 | 256.17 | 250.75 | -10.48 |

Wheat Daily Prices and Arrivals on 11.12.2014

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|----------------|---------------|---------------------|-----------------|------------|--------|
| | | | 12/11/2014 | 12/10/2014 | |
| New Delhi | Lawrence Road | Mill Delivery | 1630 | 1630 | Unch |
| | Narella | Mill Quality(Loose) | 1580 | Closed | - |
| | Nazafgarh | Mill Quality(Loose) | 1530 | Closed | - |
| Gujarat | Rajkot | Mill Delivery | 1600 | 1600 | Unch |
| | Ahmedabad | Mill Delivery | 1690 | 1690 | Unch |
| | Surat | Mill Delivery | 1710 | 1710 | Unch |
| Madhya Pradesh | Bhopal | Lokwan | 1700 | 1700 | Unch |
| | Indore | Mill Delivery | 1600 | 1600 | Unch |
| Rajasthan | Kota | Mill Quality(Loose) | 1475 | 1475 | Unch |
| | | Mill Delivery | 1560 | 1560 | Unch |
| Uttar Pradesh | Kanpur | Mill Delivery | 1565 | 1565 | Unch |
| | Mathura | Mill Quality(Loose) | NA | NA | - |
| | Kosi | Mill Quality(Loose) | 1530 | 1530 | Unch |

| | | | | | |
|-------------------|----------------------------|---------------------|--------|--------|-------------|
| | Hathras | Mill Quality(Loose) | Closed | NR | - |
| | Aligarh | Mill Quality(Loose) | NA | Closed | - |
| Punjab | Khanna | Mill Quality(Loose) | 1450 | 1450 | Unch |
| | (Ludhiana)Jagraon | Mill Delivery | 1560 | 1560 | Unch |
| Haryana | Sirsa | Mill Quality(Loose) | 1500 | 1500 | Unch |
| | Hodal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality(Loose) | 1550 | 1560 | -10 |
| | Karnal | Mill Quality(Loose) | NA | NA | - |
| | Panipat | Mill Quality(Loose) | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality(Loose) | 1845 | 1845 | Unch |
| | Madurai | Mill Quality(Loose) | 1902 | 1902 | Unch |
| | Coimbatore | Mill Quality(Loose) | 1902 | 1902 | Unch |
| Bihar | Sitamari | Mill Delivery | NR | NR | - |
| | Khagariya | Mill Delivery | 1650 | 1650 | Unch |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality(Loose) | NA | NA | - |
| | Gandhidham(Rajasthan-Kota) | Mill Quality(Loose) | NA | NA | - |

| Centre | Market | Variety | Arrivals (Bags/QtI) | | Change |
|-----------------------|-------------------|---------------------|---------------------|------------|-------------|
| | | | 12/11/2014 | 12/10/2014 | |
| New Delhi | Lawrence Road | Mill Delivery | 500 | 800 | -300 |
| | Narella | Mill Quality(Loose) | 200 | Closed | - |
| | Nazafgarh | Mill Quality(Loose) | 50 | Closed | - |
| Gujarat | Rajkot | Mill Quality(Loose) | 1500 | 1800 | -300 |
| | Ahmedabad | Mill Delivery | NA | NA | - |
| Madhya Pradesh | Bhopal | Lokwan | NA | NA | - |
| | Indore | Mill Quality(Loose) | 1000 | 1000 | Unch |
| Rajasthan | Kota | Mill Quality(Loose) | 2000 | 2000 | Unch |
| Uttar Pradesh | Kanpur | Mill Delivery | 600 | 500 | 100 |
| | Mathura | Mill Quality(Loose) | NA | NA | - |
| | Kosi | Mill Quality(Loose) | 150 | 150 | Unch |
| | Hathras | Mill Quality(Loose) | Closed | NR | - |
| | Aligarh | Mill Quality(Loose) | NA | Closed | - |
| Punjab | Khanna | Mill Quality(Loose) | 800 | 800 | Unch |
| | (Ludhiana)Jagraon | Mill Quality(Loose) | NA | NA | - |
| Haryana | Sirsa | Mill Quality(Loose) | 200 | 200 | Unch |
| | Hodal | Mill Quality(Loose) | NA | NA | - |
| | Bhiwani | Mill Quality(Loose) | 200 | 200 | Unch |
| | Karnal | Mill Quality(Loose) | NA | NA | - |
| | Panipat | Mill Quality(Loose) | NA | NA | - |

| Wheat Products Delhi | 12/11/2014 | 12/10/2014 | Change |
|------------------------------|-------------------|-------------------|---------------|
| Atta (50kg) Ordinary | 965 | 965 | 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) | 1015 | 1015 | 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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