

Wheat Domestic Fundamentals:

- **With decreasing temperature and almost favorable weather in major wheat** growing areas wheat production is likely to improve this year despite lower sowed area in major states like Madhya Pradesh and Uttarakhand. Overall wheat area till 12th December, 2014 lags behind by around 4 percent. Area under wheat crop has been registered at 241.91 lakh ha against 251.32 lakh ha in the second week of December.
- **Lower wheat area coverage in Madhya Pradesh has been the major cause** of concern at this point of time and sowing has entered in the last phase here. So it would be very difficult to get recovery in overall wheat area in this state. Area under wheat in the state has been registered at 41.42 lakh ha against 48.89 lakh ha last year, almost 15 percent lower than last year. However, area under wheat in Rajasthan has increased by 5 percent till date. It is likely to compensate loss in Madhya Pradesh to some extent. Wheat area in Rajasthan has been 25 lakh ha so far. In other states progressive sowing is normal and crop condition is good to satisfactory till now.
- **According to IBIS, export of wheat in the second week of December** (08-14 Dec) was around .49 Thousand Mt. The major export destination of Indian wheat was UAE from Mundra port which accounted .12 thousand MT at an average FOB price of \$363.01/Tn. Other countries were Jordan and Malaysia.
- **Wheat stock in govt.'s granary on 01st December was recorded at 27.20 million tonne** against 30.13 million tonne on 1st November, 2014. India needs 8.2 million tonne wheat as buffer stock and 3 million tonne as strategic reserve as on 1st January, 2014. Actual holding with govt. is at comfortable stage and supply side would be ample throughout the season.
- **Wheat prices remain almost stable throughout the country** and no major upheavals are expected at this point of time. Recent rains in various wheat growing belts have ensured better growth of the standing crop especially in Punjab, Haryana, Uttar Pradesh and Rajasthan. Decreasing temperature in growing belt too is beneficial for the wheat crop.

International Market Update:

- **Egypt had purchased 180000 tonnes of wheat from Russia & France** at an average price of \$262.92/tonne CiF which has to be delivered between 11-20 January. Till now from July 1st, Egypt has bought 2.605 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.
- **Olam International offers the lowest bid at \$268.47 a tonne (CiF)** among 5 bidders to sell 50,000 tonnes of wheat to Bangladesh. Wheat has to be shipped within 40 days after the approval of Bangladesh purchase committee. Bangladesh is planning to import 900,000 tonnes of wheat in the current fiscal year starting from July that includes 250,000 tonnes of Ukrainian wheat at \$297.50 a tonne (CiF) and other port-related expenses in a government-to-government deal with Ukraine.
- **The U.S. Department of Agriculture on their latest report** raised its forecast for global wheat production with an increase in the Canada and Kazakhstan crop more than offset by cuts by global beginning stock.

Domestic market Outlook:

Wheat cash market is likely to trade steady to slightly firm.

NCDEX Wheat Futures								Date:19:12:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-15	16	1669	1703	1669	1686	1,240	540	2,740	290
Feb-15	9	1674	1684	1669	1679	310	140	2,290	60
Mar-15	29	1639	1650	1639	1650	90	90	730	60

Spread	Oct-14	Nov-14	Dec-14	
Spot				
Jan-15	-56			
Feb-15		-7		
Mar-15			-29	

Stocks	Demat	In- Process	Total	FED
	19.12.2014	19.12.2014	19.12.2014	15.12.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	864	0	864	815
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 17.12.14 (USD/T)							
CONTRACT MONTH	17 Dec 14	Week ago (09 Dec 2014)	1 Month ago (17 Nov 14)	3 Month ago (16 Sept 14)	6 Month ago (16 June 14)	1 Year ago (16 Dec 13)	% Change over previous year
14-Dec	238.26	215.20	203.45	188.38	231.19	242.39	-1.71
15-Mar	239.09	216.58	206.02	192.52	235.41	242.58	-1.44
15-May	237.62	217.59	208.50	195.82	237.43	239.91	-0.96
15-Jul	240.28	220.62	211.62	200.14	240.65	241.93	-0.68
15-Sep	243.77	224.48	215.76	206.11	245.33	246.07	-0.93
15-Dec	246.43	227.79	218.97	209.97	247.72	247.63	-0.48

Wheat Daily Prices and Arrivals on 20.12.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Dec-14	19-Dec-14	
Delhi	Lawrence Road	Mill Delivery	1680	1675	5
	Narella	Mill Quality Loose	1595	Closed	-
	Nazafgarh	Mill Quality Loose	1565	1565	Unch
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1730	1700	30
	Surat	Mill Delivery	1770	1750	20
M.P.	Bhopal	Lokwan	1700	1700	Unch
	Indore	Mill Delivery	1675	1650	25
Rajasthan	Kota	Mill Quality Loose	1555	1525	30
		Mill Delivery	1630	1625	5
U.P.	Kanpur	Mill Delivery	1575	1565	10

	Mathura	Mill Quality Loose	1550	1550	Unch
	Kosi	Mill Quality Loose	1600	1600	Unch
	Hathras	Mill Quality Loose	NA	1500	-
	Aligarh	Mill Quality Loose	1500	1450	50
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
	(Ludhiana)Jagraon	Mill Delivery	1560	1560	Unch
Haryana	Sirsa	Mill Delivery loose	1500	1490	10
	Hodal	Mill Delivery	1635	1610	25
	Karnal	Mill Delivery	NA	1580	-
	Bhiwani	Mill Quality Loose	1580	1550	30
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1850	1825	25
	Madurai	Mill Quality	1907	1882	25
	Coimbatore	Mill Quality	1907	1882	25
Bihar	Sitamari	Mill Delivery	1500	1500	Unch
	Khagariya	Mill Delivery	1650	1600	50
FOR	Kandla(Rajasthan-Kota)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Kota)	Mill Quality	NA	NA	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Dec-14	19-Dec-14	
Delhi	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	100	150	-50
Gujarat	Rajkot	Mill Quality Loose	1200	1800	-600
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	700	-
	Indore	Mill Quality Loose	NA	1000	-
Rajasthan	Kota	Mill Quality	5500	6000	-500
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	200	300	-100

	Kosi	Mill Quality Loose	50	100	-50
	Hathras	Mill Quality Loose	NA	200	-
	Aligarh	Mill Quality Loose	100	100	Unch
Punjab	Khanna	Mill Quality Loose	700	500	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	25	20	5
	Karnal	Mill Delivery	NA	200	-
	Bhiwani	Mill Quality Loose	200	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	20-Dec-14	19-Dec-14	Change
Atta (50kg) Ordinary	935	935	Unch
Maida Grade 1 (90kg)	2202	2202	Unch
Maida Grade 1 (50KG)	1205	1205	Unch
Suji (50kg)	1230	1230	Unch
Chokar (50 kg)	748	748	Unch
Chokar (34 kg)	505	505	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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