

Wheat Domestic Fundamentals:

- **Wheat stock in govt.'s granary on 15th December was recorded at 26.38 million tonne** against 27.20 million tonne on 1st December, 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.
- **Rake loading by private trade has decreased considerably in the second fortnight of December.** Fresh demand may be seen in the second week of January. Recent firmness in wheat market is due to seasonal factors. Farmers are engaged in sowing activities and arrivals from their end have decreased considerably. Demands in domestic market remain normal against lower supply. Flour millers may turn to central pool stock to meet their immediate demands.
- **Despite delayed sowing in lower land in Bihar and Uttar Pradesh crop condition** of standing crop is satisfactory so far. Decreasing temperature remains favorable for wheat crop and no major fall in production is expected at this point of time. Almost 80 percent sowing has been completed and one -two showers of winter rains may ensure better growth for sprouting stages.
- **During last two weeks coverage area under wheat has recovered considerably** on the back of favorable weather condition in major growing states. The considerable increase has been registered in Madhya Pradesh where it is now (46.82 lakh hectares) 103 percent in comparison to normal area (45.18 lakh hectares) of the state. However it is lagging behind by around 10 % from last year area (51.93 lakh hectares) coverage till 19 December. Overall wheat area coverage has reached 92% in comparison to normal area so far.

International Market Update:

- **Russia imposes export duty on wheat that would amount to 15 percent** of the customs price plus 7.5 euros and would be no less than 35 euros (\$43) per tonne from Feb. 1 until June 30, 2015. Russian domestic wheat prices are very high due to weak currency and good export demand, so the export duty might lower domestic wheat prices by 15 percent so the government can replenish its stocks.
- **Romanian wheat was offered lowest at \$313.00 a tonne (CiF) in a tender from Iraq's** state grains board of at least 50,000 tonnes of hard wheat. The tender called for wheat only from the United States, Canada, Australia, Ukraine, Russia and Romania. No offers for Russian wheat were made after the Russian government imposed informal measures to restrain exports while others offer were Ukrainian at \$322.97, Australian at \$325.93, Canadian at \$331.65 and U.S. at \$333.87.
- **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.

Domestic market Outlook:

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

NCDEX Wheat Futures								Date:29:12:2014	
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-15	11	1705	1716	1704	1714	690	-190	2,570	290
Feb-15	8	1709	1717	1709	1717	430	140	2,340	-70
Mar-15	13	1665	1674	1664	1668	50	-270	1,050	20

Spread	Oct-14	Nov-14	Dec-14	
Spot				
Jan-15	-29			
Feb-15		3		
Mar-15			-49	

Stocks	Demat	In- Process	Total	FED
	29.12.2014	29.12.2014	29.12.2014	22.12.2014
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	864	0	864	864
Rajkot	-	-	-	-

Wheat (CBOT) Future:

CBOT Futures Prices: Date: 29.12.14 (USD/T)							
CONTRACT MONTH	29 Dec 14	Week ago (22 Dec 2014)	1 Month ago(28 Nov 14)	3 Month ago(30 Sept 14)	6 Month ago(30 June 14)	1 Year ago(30 Dec 13)	% Change over previous year
14-Dec	226.13	229.90	212.54	180.21	227.51	236.61	-4.43
15-Mar	227.42	231.19	214.75	183.24	232.29	236.97	-4.03
15-May	227.88	231.74	216.40	185.35	235.87	235.23	-3.12
15-Jul	230.45	234.22	219.15	189.39	239.91	237.62	-3.02
15-Sep	234.22	237.62	222.74	232.10	243.86	241.57	-3.04
15-Dec	235.69	238.53	226.13	236.15	245.97	243.77	-3.32

Wheat Daily Prices and Arrivals on 30.12.2014

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Dec-14	29-Dec-14	
Delhi	Lawrence Road	Mill Delivery	1685	1680	5
	Narella	Mill Quality Loose	1610	1625	-15
	Nazafgarh	Mill Quality Loose	1630	1625	5
Gujarat	Rajkot	Mill Delivery	1750	1740	10
	Ahmedabad	Mill Delivery	1790	1760	30
	Surat	Mill Delivery	1820	1790	30
M.P.	Bhopal	Lokwan	1700	1700	Unch
	Indore	Mill Delivery	1690	1690	Unch
Rajasthan	Kota	Mill Quality Loose	1595	1580	15
		Mill Delivery	1670	1650	20
U.P.	Kanpur	Mill Delivery	1590	1580	10
	Mathura	Mill Quality	1600	1600	Unch

		Loose			
	Kosi	Mill Quality Loose	1600	1600	Unch
	Hathras	Mill Quality Loose	1530	1535	-5
	Aligarh	Mill Quality Loose	1575	1530	45
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
	(Ludhiana)Jagraon	Mill Delivery	1560	1560	Unch
Haryana	Sirsa	Mill Delivery loose	1500	1500	Unch
	Hodal	Mill Delivery	1680	1680	Unch
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	1600	1630	-30
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1850	1850	Unch
	Madurai	Mill Quality	1907	1907	Unch
	Coimbatore	Mill Quality	1907	1907	Unch
Bihar	Sitamari	Mill Delivery	1530	1520	10
	Khagariya	Mill Delivery	1800	1800	Unch
FOR	Kandla(Rajasthan-Kota)	Mill Quality	1725	1700	25
	Gandhidham(Rajasthan-Kota)	Mill Quality	1725	1700	25

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Dec-14	29-Dec-14	
Delhi	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	200	150	50
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1000	1400	-400
	Ahmedabad	Mill Delivery	NA	NA	-
M.P.	Bhopal	Lokwan	NA	NA	-
	Indore	Mill Quality Loose	500	500	Unch
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	150	150	Unch

	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	50	250	-200
	Aligarh	Mill Quality Loose	200	100	100
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	70	-20
	Karnal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	500	500	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	30-Dec-14	29-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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