

Wheat Domestic Fundamentals:

- **Despite a marginal drop in acreage we can expect bumper harvest** if the weather holds for the next few weeks and the rainfall intensity does not increase suddenly. "The only thing that farmers need to be cautious about now is the stagnation of water in fields and the attack of yellow rust disease. If these two can be avoided, we should expect a bumper wheat harvest this year.
- **Early sown wheat crop in Punjab Haryana UP Rajasthan and Gujarat has completed 60 Days** and need third dose of urea. In some area farmers are thinking of second irrigation as crop has entered into sprouting stage. Crop in these states are rated good to excellent condition.
- **In patan district of Gujarat wheat prices are in the range of Rs 1930-1960/Quintal** which is coming from the private stock .Despite of good arrival from the private stock and demand from local millers is which is not push the prices down. Local millers may shift to government stock in near term once stocks in private hand stock get thinning. However wheat price from government warehouse too rule in the same range for ex mill.
- **Wheat crop in eastern Gujarat is in good condition** and standing crop is in sprouting stage as per Agriwatch team. Second irrigation is almost done in the region and we expect that better production prospects for coming season if weather sustain till harvesting.
- **According to IBIS, export of wheat in the last week of December (22-28 Dec)** was around 26 Thousand Mt. The major export destination of Indian wheat was U.A.E. from Mundra port which accounted 25 thousand MT at an average FOB price of \$318.29/Tn .Other countries were Italy and Malaysia.
- **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.

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.

Domestic market Outlook:

Wheat cash market is likely to trade steady.

| NCDEX Wheat Futures | | | | | | | | Date:08:01:2015 | |
|---------------------|-----|------|------|------|-------|--------|--------|-----------------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Jan-15 | 5 | 1703 | 1714 | 1693 | 1708 | 760 | 440 | 2,660 | -330 |
| Feb-15 | 11 | 1707 | 1714 | 1705 | 1714 | 580 | 380 | 3,130 | 350 |
| Mar-15 | 17 | 1661 | 1665 | 1661 | 1665 | 110 | -150 | 1,580 | 80 |

| Spread | Oct-14 | Nov-14 | Dec-14 | |
|--------|--------|--------|--------|--|
| Spot | | | | |
| Jan-15 | -23 | | | |
| Feb-15 | | 6 | | |
| Mar-15 | | | -49 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|----------|-------------|----------|----------|
| | 7.1.2015 | 7.1.2015 | 7.1.2015 | 5.1.2015 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 366 | 0 | 366 | 864 |
| Rajkot | - | - | - | - |

Wheat (CBOT) Future:

| CBOT Futures Prices: Date: 02.01.15 (USD/T) | | | | | | | |
|---|-----------|------------------------|-------------------------|-------------------------|--------------------------|------------------------|-----------------------------|
| CONTRACT MONTH | 02 Jan 15 | Week ago (29 Dec 2014) | 1 Month ago (02 Dec 14) | 3 Month ago (02 Oct 14) | 6 Month ago (02 July 14) | 1 Year ago (02 Jan 14) | % Change over previous year |
| 15-Mar | 213.55 | 226.13 | 221.63 | 182.23 | 228.43 | 235.41 | -9.29 |
| 15-May | 215.57 | 227.42 | 223.65 | 185.45 | 234.03 | 235.87 | -8.61 |
| 15-Jul | 216.40 | 227.88 | 225.12 | 188.57 | 238.44 | 233.85 | -7.46 |
| 15-Sep | 219.06 | 230.45 | 227.70 | 192.98 | 242.21 | 236.24 | -7.27 |
| 15-Dec | 222.92 | 234.22 | 231.19 | 198.86 | 246.43 | 240.19 | -7.19 |
| 16-Mar | 224.39 | 235.69 | 234.03 | 202.90 | 248.55 | 242.39 | -7.43 |

Wheat Daily Prices and Arrivals on 8.1.2015

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
| | | | 8-Jan-15 | 07-Jan-15 | |
| Delhi | Lawrence Road | Mill Delivery | 1685 | 1685 | Unch |
| | Narella | Mill Quality Loose | 1600 | closed | - |
| | Nazafgarh | Mill Quality Loose | 1625 | closed | - |
| Gujarat | Rajkot | Mill Delivery | 1730 | 1730 | Unch |
| | Ahmedabad | Mill Delivery | 1760 | 1760 | Unch |
| | Surat | Mill Delivery | 1800 | 1790 | 10 |
| M.P. | Bhopal | Lokwan | 1800 | 1760 | 40 |
| | Indore | Mill Delivery | 1710 | 1710 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1580 | 1580 | Unch |
| | | Mill Delivery | 1670 | 1670 | Unch |
| U.P. | Kanpur | Mill Delivery | 1590 | 1590 | Unch |
| | Mathura | Mill Quality Loose | 1670 | 1650 | 20 |
| | Kosi | Mill Quality Loose | 1650 | 1650 | Unch |
| | Hathras | Mill Quality Loose | NR | 1585 | - |
| | Aligarh | Mill Quality Loose | NR | closed | - |

| | | | | | |
|-------------------|----------------------------|---------------------|------|------|------|
| Punjab | Khanna | Mill Quality Loose | 1510 | 1510 | Unch |
| | (Ludhiana)Jagraon | Mill Delivery | 1560 | 1560 | Unch |
| Haryana | Sirsa | Mill Delivery loose | 1505 | 1505 | Unch |
| | Hodal | Mill Delivery | 1680 | 1680 | Unch |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 1625 | 1625 | Unch |
| | 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 | NR | 1520 | - |
| | Khagariya | Mill Delivery | 1800 | 1750 | 50 |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality | 1750 | 1750 | Unch |
| | Gandhidham(Rajasthan-Kota) | Mill Quality | 1750 | 1750 | Unch |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------------|--------|
| Delhi | | | 8-Jan-15 | 7-Jan-15 | |
| | Lawrence Road | Mill Delivery | NA | NA | - |
| | Narella | Mill Quality Loose | 100 | closed | - |
| | Nazafgarh | Mill Quality Loose | 50 | closed | - |
| Gujarat | Rajkot | Mill Quality Loose | 1400 | 1400 | Unch |
| | Ahmedabad | Mill Delivery | NA | NA | - |
| M.P. | Bhopal | Lokwan | NA | NA | - |
| | Indore | Mill Quality Loose | 500 | 500 | Unch |
| Rajasthan | Kota | Mill Quality | 5000 | 5000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 400 | 400 | Unch |
| | Mathura | Mill Quality Loose | 100 | 100 | Unch |
| | Kosi | Mill Quality Loose | 100 | 150 | -50 |
| | Hathras | Mill Quality Loose | NR | 200 | - |
| | Aligarh | Mill Quality Loose | NR | closed | - |
| 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 | 85 | 50 | 35 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 200 | 200 | Unch |
| | Panipat | Mill Quality Loose | NA | NA | - |



| Wheat Products Delhi | 8-Jan-15 | 7-Jan-15 | 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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