

### Wheat Domestic Fundamentals:

- **Down ward pressure on cash wheat market continues** with improving production prospect and persistent supplies from producing belts against reduced off take by flour mills. Consistence supply from private trades and central pool stock remain the major cause for current price limiting factors.
- **As domestic market is ruling lower with improved supply side**, inner tone in the market is likely to remain weak. There is an increasing chance of export demand for Indian wheat and it may restrict more dip in the wheat market. One -two showers of light winter rains may enhance possibility of better yield.
- **Global wheat market has firmed up in last one month and downward correction** is unlikely at this point of time. Improved price in major exporting nations and the tax imposition on Russian export may go in favor of Indian wheat export in the months ahead. Export volume from India may increase now. However, Tough Challenge from EU, who supplies cheaper wheat at this point of time, lays ahead India. Wheat price in international market has increased by 20 percent in last one and a half month on increasing concern on Russian supply.
- **Indonesia, Vietnam, Malaysia and Bangladesh may resume buying from India** due to freight advantage over European cargoes. Southeast Asian buyers pay a freight rate of \$12-\$15 a tonne to get wheat from India against \$30 to get grain from Ukraine. India may start issuing tenders to sell wheat from reserves from February. Government stocks were at 25.1 million tonnes as of January 1, more than 2 times of required quantity.
- **In the export market, Indian wheat was offered by private traders at \$275/76 per tonne** free on board, while French wheat was sold at \$248.94-250.25 recently. Australian standard wheat is at \$270 and Ukraine milling wheat is available for \$265. Due to freight advantage India has good chance to offload wheat in the international market in bulk volume.

### International Market Update:

- **Ukraine's Agriculture Ministry suggested traders to limit milling wheat exports** at 2 Lakh tones per month in January and February to keep as much wheat in stock as possible because it was uncertain how much the next harvest(in July) would yield. February exports of wheat from Ukraine ranged from 1.88 Lakh tonnes to 446,000 Lakh tonnes in the previous three years, with milling wheat comprising about half the total.
- **Russia besides imposing tax on wheat exports that amount to 15 percent** of the customs price plus 7.5 euros and will be no less than 35 euros (\$41) per tonne from Feb 01, 2015 until June 30, 2015 also taking informal measures to restrict wheat export like tougher and longer quality check and delays on getting the final documents needed from ports for loaded ships to set sail. Due to these informal restrictions traders are facing more problems to meet their contracts before the introduction of an export tax.
- **A cold snap across the United States raised concerns about damage** to the dormant winter wheat crop in many states, particularly in Illinois where the crop was hobbled by planting delays and USDA rated 24 percent of the wheat crop as good to excellent down from 56 percent. In Kansas, the top winter wheat producer, USDA said 49 percent of the crop was rated good to excellent, down from 61 percent.

### Domestic market Outlook:

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

| NCDEX Wheat Futures |     |      |      |      |       |        |        | Date:20:01:2015 |        |
|---------------------|-----|------|------|------|-------|--------|--------|-----------------|--------|
| Contract            | +/- | Open | High | Low  | Close | Volume | Change | OI              | Change |
| Jan-15              | 5   | 1695 | 1705 | 1685 | 1690  | 990    | 980    | 580             | -1,040 |
| Feb-15              | 1   | 1658 | 1669 | 1654 | 1656  | 240    | -1,090 | 3,180           | 70     |
| Mar-15              | -3  | 1622 | 1624 | 1616 | 1616  | 200    | -110   | 2,420           | 140    |

| Spread | Oct-14 | Nov-14 | Dec-14 |  |
|--------|--------|--------|--------|--|
| Spot   |        |        |        |  |
| Jan-15 | -35    |        |        |  |
| Feb-15 |        | -34    |        |  |
| Mar-15 |        |        | -40    |  |

| Stocks | Demat     | In- Process | Total     | FED       |
|--------|-----------|-------------|-----------|-----------|
|        | 19.1.2015 | 19.1.2015   | 19.1.2015 | 19.1.2015 |
| Delhi  | 421       | 253         | 674       | 421       |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | -         | -           | -         | -         |
| Rajkot | -         | -           | -         | -         |

### Wheat (CBOT) Future:

| CBOT Futures Prices: Date: 15.01.15 (USD/T) |           |                        |                         |                         |                          |                        |                             |
|---|-----------|------------------------|-------------------------|-------------------------|--------------------------|------------------------|-----------------------------|
| CONTRACT MONTH                              | 15 Jan 15 | Week ago (12 Jan 2015) | 1 Month ago (19 Dec 14) | 3 Month ago (20 Oct 14) | 6 Month ago (21 July 14) | 1 Year ago (21 Jan 14) | % Change over previous year |
| 15-Mar                                      | 195.73    | 204.09                 | 232.29                  | 193.34                  | 212.08                   | 223.29                 | -12.34                      |
| 15-May                                      | 196.83    | 205.74                 | 233.30                  | 195.64                  | 217.68                   | 223.84                 | -12.06                      |
| 15-Jul                                      | 198.40    | 207.49                 | 233.02                  | 198.03                  | 222.55                   | 221.45                 | -10.41                      |
| 15-Sep                                      | 201.15    | 209.88                 | 235.60                  | 201.70                  | 226.96                   | 223.93                 | -10.17                      |
| 15-Dec                                      | 205.47    | 213.92                 | 239.09                  | 206.57                  | 232.47                   | 226.96                 | -9.47                       |
| 16-Mar                                      | 207.76    | 215.94                 | 241.01                  | 210.15                  | 235.96                   | 229.35                 | -9.41                       |

### Wheat Daily Prices and Arrivals on 20.1.2015

| Centre    | Market        | Variety            | Prices (Rs/Qtl) |           | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
|           |               |                    | 20-Jan-15       | 19-Jan-15 |        |
| Delhi     | Lawrence Road | Mill Delivery      | 1655            | 1655      | Unch   |
|           | Narella       | Mill Quality Loose | 1590            | 1585      | 5      |
|           | Nazafgarh     | Mill Quality Loose | 1640            | 1620      | 20     |
| Gujarat   | Rajkot        | Mill Delivery      | 1725            | 1730      | -5     |
|           | Ahmedabad     | Mill Delivery      | 1750            | 1750      | Unch   |
|           | Surat         | Mill Delivery      | 1790            | 1780      | 10     |
| M.P.      | Bhopal        | Lokwan             | Closed          | 1700      | -      |
|           | Indore        | Mill Delivery      | Closed          | 1680      | -      |
| Rajasthan | Kota          | Mill Quality Loose | Closed          | 1570      | -      |
|           |               | Mill Delivery      | Closed          | 1670      | -      |
| U.P.      | Kanpur        | Mill Delivery      | NR              | 1590      | -      |
|           | Mathura       | Mill Quality Loose | 1575            | 1575      | Unch   |
|           | Kosi          | Mill Quality Loose | 1630            | 1630      | Unch   |
|           | Hathras       | Mill Quality Loose | NR              | NR        | -      |
|           | Aligarh       | Mill Quality Loose | 1575            | 1575      | Unch   |

|                   |                            |                     |        |      |      |
|-------------------|----------------------------|---------------------|--------|------|------|
| <b>Punjab</b>     | Khanna                     | Mill Quality Loose  | 1540   | 1540 | Unch |
|                   | (Ludhiana).Jagraon         | Mill Delivery       | 1560   | 1560 | Unch |
| <b>Haryana</b>    | Sirsa                      | Mill Delivery loose | 1510   | 1505 | 5    |
|                   | Hodal                      | Mill Delivery       | 1680   | 1680 | Unch |
|                   | Karnal                     | Mill Delivery       | NA     | NA   | -    |
|                   | Bhiwani                    | Mill Quality Loose  | 1625   | 1625 | Unch |
|                   | Panipat                    | Mill Quality Loose  | NA     | NA   | -    |
| <b>Tamil Nadu</b> | Chennai                    | Mill Quality        | Closed | 1850 | -    |
|                   | Madurai                    | Mill Quality        | Closed | 1907 | -    |
|                   | Coimbatore                 | Mill Quality        | Closed | 1907 | -    |
| <b>Bihar</b>      | Sitamari                   | Mill Delivery       | 1520   | NA   | -    |
|                   | Khagariya                  | Mill Delivery       | 1850   | 1800 | 50   |
| <b>FOR</b>        | Kandla(Rajasthan-Kota)     | Mill Quality        | Closed | 1725 | -    |
|                   | Gandhidham(Rajasthan-Kota) | Mill Quality        | Closed | 1725 | -    |

| Centre           | Market             | Variety            | Arrivals (Bags/Qtl) |           | Change |
|------------------|--------------------|--------------------|---------------------|-----------|--------|
| <b>Delhi</b>     |                    |                    | 20-Jan-15           | 19-Jan-15 |        |
|                  | Lawrence Road      | Mill Delivery      | NA                  | NA        | -      |
|                  | Narella            | Mill Quality Loose | 250                 | 300       | -50    |
|                  | Nazafgarh          | Mill Quality Loose | 50                  | 100       | -50    |
| <b>Gujarat</b>   | Rajkot             | Mill Quality Loose | 1200                | 1800      | -600   |
|                  | Ahmedabad          | Mill Delivery      | NA                  | NA        | -      |
| <b>M.P.</b>      | Bhopal             | Lokwan             | NA                  | NA        | -      |
|                  | Indore             | Mill Quality Loose | Closed              | 300       | -      |
| <b>Rajasthan</b> | Kota               | Mill Quality       | Closed              | 4000      | -      |
| <b>U.P.</b>      | Kanpur             | Mill Quality Loose | 300                 | 400       | -100   |
|                  | Mathura            | Mill Quality Loose | 200                 | 200       | Unch   |
|                  | Kosi               | Mill Quality Loose | 100                 | 100       | Unch   |
|                  | Hathras            | Mill Quality Loose | NR                  | NR        | -      |
|                  | Aligarh            | Mill Quality Loose | 100                 | 200       | -100   |
| <b>Punjab</b>    | Khanna             | Mill Quality Loose | 500                 | 500       | Unch   |
|                  | (Ludhiana).Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| <b>Haryana</b>   | Sirsa              | Mill Quality Loose | 200                 | 200       | Unch   |
|                  | Hodal              | Mill Quality Loose | 100                 | 50        | 50     |
|                  | Karnal             | Mill Delivery      | NA                  | NA        | -      |
|                  | Bhiwani            | Mill Quality Loose | 300                 | 200       | 100    |
|                  | Panipat            | Mill Quality Loose | NA                  | NA        | -      |

| Wheat Products Delhi         | 20-Jan-15 | 19-Jan-15 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary         | 965       | 935       | 30     |
| Maida Grade 1 (90kg)         | 2202      | 2202      | Unch   |
| Maida Grade 1 (50KG)         | 1205      | 1205      | Unch   |
| Suji (50kg)                  | 1230      | 1230      | Unch   |
| Chokar (50 kg)               | 743       | 748       | -5     |
| Chokar (34 kg)               | 499       | 505       | -6     |
| Chakki Atta (50kg)           | 1015      | 1015      | Unch   |
| Chakki Atta (50kg) Special   | NA        | 985       | -      |
| Chakki Atta (90kg) Superfine | 1861      | 1816      | 45     |
| Chakki Atta (50kg) Superfine | NA        | 990       | -      |

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