

Wheat Domestic Fundamentals:

Farmers in Rajasthan, Madhya Pradesh and Uttar Pradesh have this year preferred selling to private buyers due to instant cash payment, as compared to delayed payments by state. According to FCI official there'd been unprecedented participation by private agencies in purchase; also, in some parts, warm March weather had affected the yield. They confirmed that arrivals had started diminishing and felt actual procurement would be close to 24 mt, against the 28 mt estimate.

India exported 1095.49tonne wheat during week ended 1st May-2016 against 1778 tonne during week ending 24th April. Wheat has been exported at an average FoB of \$297.54 per tonne. Major buyers of the Indian wheat are UAE, Taiwan, UK, Nepal, Bahrain and Kuwait. There is no import last week. Sentiments in cash market remain weak as supply side is higher than normal demand. Private trades/stockiests have fulfilled their 50 percent requirement so far.

The government has revised its target down to sell wheat from its stock under OMSS to 6.5-7.5 million tonnes for 2016-17. It could not sell 10 MMT in open market last year set for 2014-15. Food corporation of India could sell 7.1 MMT last year under OMSS. The benchmark price for the sale of wheat to private bulk buyers and traders has been fixed at Rs 1,640 per quintal, higher than the minimum support price of Rs 1,525 per quintal for this year. The selling target will be reviewed in July.

Agriwatch has revised its wheat production estimate up by 1.54 MMT from 89.28 MMT to 90.82 MMT for 2016-17 MY starting from April-2016. The new season (2016-17) started with 145.38 lakh tonne wheat as carry out. If we include private carryout (1 MMT), it comes to 155.38 lakh tonne. The new season may end up with 15.2 MMT as carry out including private carryout also. Production estimate for Bihar, Gujarat and Eastern Uttar Pradesh has been reduced by 20 to 30 percent due to thinner grain size this year. In other state crop is almost normal.

Wheat procurement is running smooth and it is higher by 10 % to 208.11 lakh tonne from last year till 2nd May 2016. Total wheat procurement has touched 208.11 lakh tonne till 2nd May 2016 against 189.27 lakh tonne on 2nd May 2015. Punjab has procured 98.94 lakh tonne, Haryana has contributed 64.64 lakh tonne. MP stands third by procuring 36.05 lakh tonne. Rajasthan has procured 4.81 lakh tonne. Uttar Pradesh stand fifth by procuring 3.58 lakh tonne so far.

Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released Second Adv. Estimate for Rabi crop for 2015-16 on 15th Feb, 2016. Production target for wheat in Rabi had been set at 94.75 lakh tonne. Now in Second Adv. estimate it has estimated wheat production for 2015-16 at 93.82 lakh tonne. Notably, India has produced 86.53 million tonne wheat in 2014-15.

International Market Update:

IGC revised wheat production projection estimate up by 4 MMT to 717 MMT in end April-16 for crop year 2016-17. According to IGC global wheat production for 2015-16 was registered at 732 MMT. Projection for 2016-17 is quite lower from actual production of last year. The difference is around 15 MMT. Lower projection for wheat may lend support to global wheat market at current level and any major dip from current level is unlikely.

According to latest report, Russian wheat export reached 21.3 mmt since 1st July 2015 as greater demand is supporting the export. At present Black sea mill wheat with 12.5% protein for April shipment is offered at US \$184 per tonne (FOB).

Domestic market Outlook: Wheat cash market is likely trade firm.

Wheat Futures Contact: NCDEX Price							Date: 06.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-May	10	1607	1626	1607	1622	1510	-1080	7620	-2180
16-June	7	1639	1656	1638	1649	2430	1300	8120	2210
16-July	13	1670	1684	1670	1684	380	130	1540	240

Spread	May-16	Jun-16	July-16	
Spot Narella				
16-May	42			
16-June		27		
16-July			35	

Stocks	Demat	In- Process	Total	FED
	06.May.16	06.May.16	06.May.16	02.May.16
Delhi	2646	0	2646	2455
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14259	98	14357	12562
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 07.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi	Lawrence Road	Mill Delivery	7-May-16	06-May-16	
			1630	1625	5
			1570	1580	-10
			1560	1560	Unch
Gujarat	Rajkot	Mill Delivery	1630	1620	10
			1715	1710	5
			2000	1885	115
			1740	1730	10
M.P.	Bhopal	Mill Quality Loose	1550	Closed	-
			1675	Closed	-
Rajasthan	Kota	Mill Quality Loose	1580	1570	10
			1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1615	1615	Unch
			1512	1520	-8
			1482	1480	2
			NR	1490	-
			1500	1490	10
Punjab	Khanna	Mill Quality Loose	1500	1500	Unch
			1635	1635	Unch
Haryana	Sirsa	Mill Delivery loose	1525	1525	Unch
			1600	1600	Unch
			NA	NA	-
			1550	1550	Unch
			1525	1525	Unch
Tamil Nadu	Chennai	Mill Quality	1900	1900	Unch
			1957	1957	Unch
			1957	1957	Unch
Bihar	Sitamari	Mill Delivery	Closed	1420	-

	Khagariya	Mill Delivery	1600	1600	Unch
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			7-May-16	6-May-16	
	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	Closed	-
	Bhopal	Lokwan	1800	Closed	-
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	1700	1700	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			7-May-16	6-May-16	
	Lawrence Road	Mill Delivery	8000	9000	-1000
	Narella	Mill Quality Loose	3000	3000	Unch
	Nazafgarh	Mill Quality Loose	1000	500	500
Gujarat	Rajkot	Mill Quality Loose	2500	2000	500
	Dhrol	Mill Quality Loose	70	84	-14
M.P.	Indore	Mill Quality Loose	3000	Closed	-
Rajasthan	Kota	Mill Quality	20000	20000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	4000	4000	Unch
	Kosi	Mill Quality Loose	3000	4000	-1000
	Hathras	Mill Quality Loose	NR	2000	-
	Aligarh	Mill Quality Loose	1000	1700	-700
Punjab	Khanna	Mill Quality Loose	7000	4000	3000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	1000	Unch
Haryana	Sirsa	Mill Quality Loose	2000	2000	Unch
	Hodal	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	3000	5000	-2000
	Bhiwani	Mill Quality Loose	3000	1500	1500
	Panipat	Mill Quality Loose	1300	1390	-90

Wheat Products Delhi			7-May-16	6-May-16	Change
Atta (50kg) Ordinary			890	890	Unch
Maida Grade 1 (90kg)			NA	NA	-
Maida Grade 1 (50KG)			1260	1260	Unch

Suji (50kg)	1310	1310	Unch
Chokar (50 kg)	718	718	Unch
Chokar (34 kg)	489	480	9
Chakki Atta (50kg)	950	950	Unch
Chakki Atta (50kg) Special	1000	1000	Unch
Chakki Atta (90kg) Superfine	1892	1892	Unch
Chakki Atta (50kg) Superfine	1010	1010	Unch

Wheat (CBOT) Future Price: 06.5.2016					
Contract Month	Open	High	Low	Close	Change
16-May	453.5	458.50	453.25	453.25	0.25
16-Jul	463.0	470.25	462.00	463.75	0.50
16-Sep	473.3	480.00	472.00	474.50	1.25
16-Dec	490.5	497.00	488.75	492.00	1.50
17-Mar	507.0	513.25	506.50	509.25	1.75
17-May	515.5	522.50	515.50	518.25	1.00

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