

Wheat Domestic Fundamentals:

India exported 1564.76 tonne wheat during week ended 8th May-2016 against 1095.49 tonne during week ending 2nd May-2016. Wheat has been exported at an average FoB of \$291.03 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 firm in the short to medium term as supply side is lower than normal demand.

Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released Third Adv. Estimate for Rabi crop for 2015-16 on 9th May, 2016. Production target for wheat in Rabi had been set at 94.75 lakh tonne for 2015-16 crop year. Now in Third Adv. estimate wheat production estimate has been revised up from 93.82 lakh tonne to 94.04 MMT. Notably, India has produced 86.53 million tonne wheat in 2014-15. Market experts view it as surprise as production in Bihar and Uttar Pradesh is considerably lower this year. Arrivals too have not been up to the mark in Central India. Prices are ruling higher at this point of time. So market participants remain unconvinced over the higher production size.

All India average price decreased by 3.43 % from Rs 1777.04 to Rs 1716 per qtl. during last two-three days despite lower procurement, arrivals and active buying by private trades,. However, more decrease from current level is unlikely says market experts. There is a huge gap on production estimates between govt. and private trades.

This year private trades have brought 20 to 25 % more wheat from last year in anticipation of shortfall and it would limit offtake from OMSS in July and August. Higher offtake is now expected October onwards. If India receives higher than normal rainfall this year, it would help higher area coverage and ensure better production. There is a gossip in the market that farmers have retained more stock this year and they would prefer to release it in lean season. It would help to limit firmness in the lean season, especially in the last quarter. Besides, govt has ample stock to take care of any unexpected rise in cash market.

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.

Govt. has reduced wheat procurement target for 2016-17 to 28MMT and it may be revised further down to 25MMT as cash market price is ruling higher from MSP. Govt agencies have procured 217.51 tonne wheat till 6th May-2016. Some difficulty may be faced in M.P. Uttar Pradesh and Rajasthan as private trade would remain active and would continue to offer higher price to farmers in anticipation of lower crop size this year.

International Market Update:

Russian wheat export prices rose slightly last week on high demand from traders needing to fulfil previously signed deals. Black Sea prices for Russian wheat with 12.5 percent protein content were at \$192.5 a tonne on a free-on-board (FOB) basis at the end of last week, up \$1.50 from a week earlier. FOB prices for maize (corn) rose \$1 to 183.5 per tonne. SovEcon, another farm consultancy, quoted export wheat prices at \$193 per tonne and maize prices at \$181 per tonne. Russia exported 30.7 million tonnes of grains, including 22.3 million tonnes of wheat, between July 1 and May 4.

IGC revised wheat production projection estimate up by 4MMT to 717 MMT in end April-16 for crop year 2016-17. According to IGC global wheat production for 2015-16 was registered at 732MMT. 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.

Domestic market Outlook: Wheat cash market is likely trade steady on the back of higher production estimate.

Wheat Futures Contact: NCDEX Price							Date: 11.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-May	5	1596	1613	1596	1611	3130	-1010	4280	-480
16-June	5	1630	1645	1630	1642	2980	-850	12320	-2010
16-July	5	1676	1676	1668	1673	460	-90	2250	-1830

Spread	May-16	Jun-16	July-16	
Spot Narella				
16-May	closed			
16-June				
16-July				

Stocks	Demat	In- Process	Total	FED
	10.May.16	10.May.16	10.May.16	09.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15023	1244	16267	14606
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 11.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-May-16	10-May-16	
Delhi	Lawrence Road	Mill Delivery	1650	1650	Unch
	Narella	Mill Quality Loose	Closed	1600	-
	Nazafgarh	Mill Quality Loose	Closed	1600	-
Gujarat	Rajkot	Mill Delivery	1630	1625	5
	Ahmedabad	Mill Delivery	1720	1715	5
	Dhrol	Mill Quality Loose	2035	1700	335
	Surat	Mill Delivery	1740	1740	Unch
M.P.	Bhopal	Mill Quality Loose	1550	1550	Unch
	Indore	Mill Delivery	1695	1650	45
Rajasthan	Kota	Mill Quality Loose	1560	NR	-
		Mill Delivery	1650	NR	-
U.P.	Kanpur	Mill Delivery	1610	1610	Unch
	Mathura	Mill Quality Loose	1525	1525	Unch
	Kosi	Mill Quality Loose	1490	1490	Unch
	Hathras	Mill Quality Loose	1500	NR	-
	Aligarh	Mill Quality Loose	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	1525	1525	Unch
	(Ludhiana)Jagraon	Mill Delivery	1620	1620	Unch
Haryana	Sirsa	Mill Delivery loose	1525	1525	Unch
	Hodal	Mill Delivery	1600	1600	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1570	1570	Unch
	Panipat	Mill Quality Loose	1525	1525	Unch
Tamil Nadu	Chennai	Mill Quality	1900	NR	-
	Madurai	Mill Quality	1957	NR	-
	Coimbatore	Mill Quality	1957	NR	-
Bihar	Sitamari	Mill Delivery	1430	1425	5

	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
			11-May-16	10-May-16	
Gujarat					
	Rajkot	Lokwan	1850	1800	50
M.P.	Indore	Lokwan	2000	1900	100
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	Closed	2750	-
Rajasthan	Kota	LokwanBilty	1800	NR	-
	Baran	Lokwan	1650	NA	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-May-16	10-May-16	
Delhi					
	Lawrence Road	Mill Delivery	12000	8000	4000
	Narella	Mill Quality Loose	Closed	2000	-
	Nazafgarh	Mill Quality Loose	Closed	500	-
Gujarat	Rajkot	Mill Quality Loose	1400	1500	-100
	Dhrol	Mill Quality Loose	55	61	-6
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	10000	NR	-
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	3000	4000	-1000
	Kosi	Mill Quality Loose	3500	4000	-500
	Hathras	Mill Quality Loose	1000	NR	-
	Aligarh	Mill Quality Loose	500	1000	-500
Punjab	Khanna	Mill Quality Loose	5000	6000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	2000	3000	-1000
	Hodal	Mill Quality Loose	200	500	-300
	Karnal	Mill Delivery	1500	2000	-500
	Bhiwani	Mill Quality Loose	1000	2000	-1000
	Panipat	Mill Quality Loose	1000	3110	-2110

Wheat Products Delhi			11-May-16	10-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	489	Unch
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: 10.5.2016

Contract Month	Open	High	Low	Close	Change
16-May	450.0	458.8	446.8	451.50	4.50
16-Jul	457.3	468.8	455.3	461.25	4.75
16-Sep	467.3	478.8	465.8	472.00	4.75
16-Dec	486.0	497.0	484.5	490.50	4.75
17-Mar	505.0	514.3	502.0	508.25	5.00
17-May	513.5	522.8	511.8	517.75	5.25

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