

Wheat Domestic Fundamentals:

This year private purchase of wheat in Punjab and Haryana has been negligible due to higher applicable taxes in both states and bad conditions of flour industries. Besides, other surplus states are offering wheat without/negligible taxes. In Haryana private trades have purchased on 1634 tonne out of 6665 lakh tonne total arrival so far. In Punjab they have procured only 1.71 lakh tonne out of 105.89 lakh tonne total arrival.

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

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.

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

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. 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.

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

Wheat Futures Contact: NCDEX Price							Date: 12.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-May	6	1609	1630	1515	1615	120	-2830	2340	-2480
16-June	0	1645	1650	1642	1643	1120	-1160	12750	310
16-July	1	1676	1677	1675	1675	240	185	624	-830

Spread	May-16	Jun-16	July-16	
Spot Narella				
16-May	-30			
16-June		28		
16-July			32	

Stocks	Demat	In- Process	Total	FED
	11.May.16	11.May.16	11.May.16	09.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15586	858	16444	14606
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 12.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-May-16	11-May-16	
Delhi	Lawrence Road	Mill Delivery	1650	1650	Unch
	Narella	Mill Quality Loose	1585	Closed	-
	Nazafgarh	Mill Quality Loose	1600	Closed	-
Gujarat	Rajkot	Mill Delivery	1630	1630	Unch
	Ahmedabad	Mill Delivery	1730	1720	10
	Dhrol	Mill Quality Loose	1905	2035	-130
	Surat	Mill Delivery	1750	1740	10
M.P.	Bhopal	Mill Quality Loose	1550	1550	Unch
	Indore	Mill Delivery	1695	1695	Unch
Rajasthan	Kota	Mill Quality Loose	1570	1560	10
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1615	1610	5
	Mathura	Mill Quality Loose	1520	1525	-5
	Kosi	Mill Quality Loose	1495	1490	5
	Hathras	Mill Quality Loose	1510	1500	10
	Aligarh	Mill Quality Loose	1520	1500	20
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	1620	1600	20
	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	1900	Unch
	Madurai	Mill Quality	1957	1957	Unch
	Coimbatore	Mill Quality	1957	1957	Unch
Bihar	Sitamari	Mill Delivery	1425	1430	-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
			12-May-16	11-May-16	
Gujarat					
	Rajkot	Lokwan	1900	1850	50
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	2750	Closed	-
Rajasthan	Kota	LokwanBilty	1850	1800	50
	Baran	Lokwan	1650	1650	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-May-16	11-May-16	
Delhi					
	Lawrence Road	Mill Delivery	20000	12000	8000
	Narella	Mill Quality Loose	2500	Closed	-
	Nazafgarh	Mill Quality Loose	400	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1200	1400	-200
	Dhrol	Mill Quality Loose	77	55	22
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	20000	10000	10000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	3000	3000	Unch
	Kosi	Mill Quality Loose	3000	3500	-500
	Hathras	Mill Quality Loose	850	1000	-150
	Aligarh	Mill Quality Loose	2000	500	1500
Punjab	Khanna	Mill Quality Loose	3000	5000	-2000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	2000	2000	Unch
	Hodal	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	1500	1500	Unch
	Bhiwani	Mill Quality Loose	1500	1000	500
	Panipat	Mill Quality Loose	500	1000	-500

Wheat Products Delhi			12-May-16	11-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)	735	718	17
Chokar (34 kg)	490	489	1
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: 11.5.2016					
Contract Month	Open	High	Low	Close	Change
16-May	454.0	454.0	449.5	449.50	-2.00
16-Jul	462.0	464.8	456.8	459.00	-2.25
16-Sep	472.0	475.0	467.3	469.25	-2.75
16-Dec	490.5	493.5	485.3	487.25	-3.25
17-Mar	507.3	510.0	500.8	503.00	-5.25
17-May	518.3	518.3	510.5	513.00	-4.75

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