

### Wheat Domestic Fundamentals:

**Wheat arrivals in various markets have decreased considerably and private trades** are still active and offering higher price over and above MSP. There are two reasons of lower arrival at this point of time. First is yield loss in major producing states except Punjab and Haryana. Secondly, private trades direct purchasing outside mandis through countryside traders/agents.

**Besides, farmer's retention for marketable surplus is 10 to 15 % higher** this year in anticipation of higher price in third and fourth quarters. Lower arrivals and higher price would continue to affect govt's procurement in Rajasthan, UP and Madhya Pradesh. As private trades have procured higher quantity this year, offtake from central pool would be lower by 15 to 20 percent in the second quarter.

**India exported 11431.56 tonne wheat during week ended 15<sup>th</sup> May-2016** against 1564.76 tonne during week ending 8<sup>th</sup> May-2016. Wheat has been exported at an average FoB of \$323.54 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 firm in the short to medium term as supply side is lower than normal demand.

**All India average wheat price increased by 2.51 % from Rs1706.04 to Rs1749 per qtl.** during the week ended 12th May-2016. Active private participation and decreased arrival in north and central India has lent support to cash market fundamental.. When we compare all India average price from May,2015,

**Indian millers based in south India have struck a deal of 50,000 French wheat** at \$203 per tonne on CiF basis scheduled to be delivered in July-2016. Around 7 lakh tonne wheat import deal has been finalized for forward months. Millers hope govt would revise wheat duty down from 25% to 10 % in July-2016. Around 50,000 T .Australian wheat too has been brought for August delivery at \$275 per T on CiF basis.

**The pace of wheat Procurement has slowed down due to decreased arrivals** and higher prevailing prices in domestic market. Indian procurement agencies have procured 224.81 lakh tonne till 13th, May-2016. Punjab and Haryana have procured 106 & 67.68 lakh tonne so far. MP has contributed 6.78 lakh tonne while Rajasthan has procured 6.66 lakh tonne so far.

**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

**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.

### 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 to slightly firm.

| <b>Wheat Futures Contact: NCDEX Price</b> |                             |             |             |            |              |            | <b>Date: 18.05.2016</b>      |           |                              |
|-------------------------------------------|-----------------------------|-------------|-------------|------------|--------------|------------|------------------------------|-----------|------------------------------|
| <b>Contract Month</b>                     | <b>Ch from previous day</b> | <b>Open</b> | <b>High</b> | <b>Low</b> | <b>Close</b> | <b>Vol</b> | <b>Ch. From previous day</b> | <b>OI</b> | <b>Ch. From previous day</b> |
| <b>16-May</b>                             | -5                          | 1639        | 1639        | 1639       | 1639         | 10-        | 90                           | 160       | -1810                        |
| <b>16-June</b>                            | -7                          | 1665        | 1666        | 1655       | 1657         | 1570       | -1630                        | 14660     | -110                         |
| <b>16-July</b>                            | -9                          | 1695        | 1696        | 1684       | 1683         | 460        | -685                         | 2990      | 00                           |

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

| Stocks | Demat     | In- Process | Total     | FED       |
|--------|-----------|-------------|-----------|-----------|
|        | 17.May.16 | 17.May.16   | 17.May.16 | 16.May.16 |
| Delhi  | 2646      | 0           | 2646      | 2646      |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | 16615     | 842         | 17457     | 14606     |
| Rajkot | -         | -           | -         | -         |

### Wheat Daily Prices and Arrivals on 18.5.2016

| Centre     | Market            | Variety             | Prices (Rs/Qtl) |           | Change |
|------------|-------------------|---------------------|-----------------|-----------|--------|
| Delhi      |                   |                     | 18-May-16       | 17-May-16 |        |
|            | Lawrence Road     | Mill Delivery       | 1685            | 1680      | 5      |
|            | Narella           | Mill Quality Loose  | Closed          | 1630      | -      |
|            | Nazafgarh         | Mill Quality Loose  | Closed          | 1615      | -      |
| Gujarat    | Rajkot            | Mill Delivery       | 1630            | 1620      | 10     |
|            | Ahmedabad         | Mill Delivery       | 1720            | 1720      | Unch   |
|            | Dhrol             | Mill Quality Loose  | 1825            | 1815      | 10     |
|            | Surat             | Mill Delivery       | 1750            | 1750      | Unch   |
| M.P.       | Bhopal            | Mill Quality Loose  | 1600            | 1600      | Unch   |
|            | Indore            | Mill Delivery       | 1710            | 1710      | Unch   |
| Rajasthan  | Kota              | Mill Quality Loose  | 1570            | 1580      | -10    |
|            |                   | Mill Delivery       | 1650            | 1660      | -10    |
| U.P.       | Kanpur            | Mill Delivery       | 1625            | 1625      | Unch   |
|            | Mathura           | Mill Quality Loose  | 1550            | 1555      | -5     |
|            | Kosi              | Mill Quality Loose  | 1535            | 1535      | Unch   |
|            | Hathras           | Mill Quality Loose  | 1515            | 1525      | -10    |
|            | Aligarh           | Mill Quality Loose  | 1550            | 1545      | 5      |
| 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       | 1665            | 1665      | Unch   |
|            | Karnal            | Mill Delivery       | NA              | NA        | -      |
|            | Bhiwani           | Mill Quality Loose  | 1600            | 1600      | 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            | 1450      | -25    |

|     |                              |               |      |      |      |
|-----|------------------------------|---------------|------|------|------|
|     | 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 |
|-----------|--------|-------------|-----------------|-----------|--------|
|           |        |             | 18-May-16       | 17-May-16 |        |
| Gujarat   |        |             |                 |           |        |
|           | Rajkot | Lokwan      | 1850            | 1850      | Unch   |
| M.P.      | Indore | Lokwan      | 2000            | 2000      | Unch   |
|           | Bhopal | Lokwan      | 1800            | 1800      | Unch   |
|           | Bina   | Sarbati 306 | Closed          | NR        | -      |
| Rajasthan | Kota   | LokwanBilty | 1800            | 1850      | -50    |
|           | Baran  | Lokwan      | 1650            | 1700      | -50    |

| Centre    | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
|           |                   |                    | 18-May-16           | 17-May-16 |        |
| Delhi     |                   |                    |                     |           |        |
|           | Lawrence Road     | Mill Delivery      | 7000                | 8000      | -1000  |
|           | Narella           | Mill Quality Loose | Closed              | 1000      | -      |
|           | Nazafgarh         | Mill Quality Loose | Closed              | 300       | -      |
| Gujarat   | Rajkot            | Mill Quality Loose | 1600                | 1200      | 400    |
|           | Dhrol             | Mill Quality Loose | 68                  | 49        | 19     |
| M.P.      | Indore            | Mill Quality Loose | 2000                | 2000      | Unch   |
| Rajasthan | Kota              | Mill Quality       | 20000               | 25000     | -5000  |
| U.P.      | Kanpur            | Mill Quality Loose | 500                 | 500       | Unch   |
|           | Mathura           | Mill Quality Loose | 1000                | 2000      | -1000  |
|           | Kosi              | Mill Quality Loose | 3000                | 3500      | -500   |
|           | Hathras           | Mill Quality Loose | 500                 | 500       | Unch   |
|           | Aligarh           | Mill Quality Loose | 1000                | 2000      | -1000  |
| Punjab    | Khanna            | Mill Quality Loose | 1000                | 2000      | -1000  |
|           | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| Haryana   | Sirsa             | Mill Quality Loose | 1200                | 1000      | 200    |
|           | Hodal             | Mill Quality Loose | 200                 | 200       | Unch   |
|           | Karnal            | Mill Delivery      | 1000                | 1000      | Unch   |
|           | Bhiwani           | Mill Quality Loose | 2000                | 2000      | Unch   |
|           | Panipat           | Mill Quality Loose | NA                  | 200       | -      |

| Wheat Products Delhi |  |  | 18-May-16 | 17-May-16 | Change |
|----------------------|--|--|-----------|-----------|--------|
| Atta (50kg) Ordinary |  |  | 925       | 890       | 35     |
| Maida Grade 1 (90kg) |  |  | NA        | NA        | -      |
| Maida Grade 1 (50KG) |  |  | 1260      | 1260      | Unch   |

|                              |      |      |      |
|------------------------------|------|------|------|
| Suji (50kg)                  | 1310 | 1310 | Unch |
| Chokar (50 kg)               | 735  | 735  | Unch |
| Chokar (34 kg)               | 490  | 490  | 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: 17.5.2016 |       |       |       |        |        |
|--------------------------------------|-------|-------|-------|--------|--------|
| Contract Month                       | Open  | High  | Low   | Close  | Change |
| <b>Jul-16</b>                        | 472.8 | 484.5 | 472.8 | 481.75 | 7.00   |
| <b>Sep-16</b>                        | 483.3 | 493.5 | 482.3 | 491.25 | 7.25   |
| <b>Dec-16</b>                        | 497.0 | 508.3 | 497.0 | 506.00 | 7.00   |
| <b>Mar-17</b>                        | 513.0 | 522.5 | 513.0 | 520.75 | 7.00   |
| <b>May-17</b>                        | 525.0 | 530.8 | 525.0 | 529.00 | 6.75   |
| <b>Jul-17</b>                        | 525.8 | 534.8 | 525.8 | 532.00 | 6.75   |

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