

Wheat Domestic Fundamentals:

All India average wheat price increased by 5.19 % from Rs1675.35 to Rs1762.35 per qtl. during the week ended 21st May-2016. Lower arrival and buyer's interest at higher price have lent support to cash market fundamental. When we compare all India average price from May, 2015, it is higher by 5.89% on month average basis. In May, 2015 average price was registered at 1664.2 per qtl. Overall trend in cash market is expected to remain firm as fear of lower production is gaining ground now.

For storing wheat in Rajasthan NCDEX has launched bulk silos facility. This facility would be available at Star Agri warehouse located in Kota for two grades of wheat namely WHET-11111 & WHET 1121. Deliverable unit would be 100 Qtl. As per NCDEX release it would be cost effective for depositors. Depositors need not to incur the cost of loading -unloading, bagging in mandis. The cost comes to around Rs17 per qtl. It is hardly one percent of current price of wheat.

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.

India exported 11431.56 tonne wheat during week ended 15th May-2016 against 1564.76 tonne during week ending 8th 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.

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

International Market Update:

New policy for agriculture in Argentina is expected to encourage wheat planting considerably this year and it may put pressure in local market. Farmers in Argentina are engaged to sell their stock pile to govt. Wheat export has increased 100 percent in first quarter of this year. The surge in Argentine supply is hitting an oversaturated world market and putting downward pressure on wheat prices.

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.

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.

Wheat Futures Contact: NCDEX Price							Date: 20.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-May	-57	1691	1641	1634	1634	100	90	2160	2000
16-June	-8	1655	1662	1651	1658	1230	-830	14840	220
16-July	-8	1685	1688	1681	1687	500	40	3150	210

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

Stocks	Demat	In- Process	Total	FED
	19.May.16	19.May.16	19.May.16	16.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17248	308	17556	14606
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 20.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-May-16	19-May-16	
Delhi	Lawrence Road	Mill Delivery	1700	1690	10
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	1625	1620	5
Gujarat	Rajkot	Mill Delivery	1630	1630	Unch
	Ahmedabad	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	1900	1815	85
	Surat	Mill Delivery	1750	1750	Unch
M.P.	Bhopal	Mill Quality Loose	1615	1615	Unch
	Indore	Mill Delivery	1710	1710	Unch
Rajasthan	Kota	Mill Quality Loose	1585	1570	15
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1610	1625	-15
	Mathura	Mill Quality Loose	NR	1570	-
	Kosi	Mill Quality Loose	1545	1538	7
	Hathras	Mill Quality Loose	1525	NR	-
	Aligarh	Mill Quality Loose	1560	1565	-5
Punjab	Khanna	Mill Quality Loose	1525	1525	Unch
	(Ludhiana)Jagraon	Mill Delivery	1620	1620	Unch
Haryana	Sirsa	Mill Delivery loose	1530	1525	5
	Hodal	Mill Delivery	1665	1665	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1610	1600	10
	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	1430	1420	10

	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
			20-May-16	19-May-16	
Gujarat					
	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-May-16	19-May-16	
Delhi					
	Lawrence Road	Mill Delivery	10000	9000	1000
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	200	400	-200
Gujarat	Rajkot	Mill Quality Loose	1200	1400	-200
	Dhrol	Mill Quality Loose	37	105	-68
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	12000	17000	-5000
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	NR	500	-
	Kosi	Mill Quality Loose	3000	2500	500
	Hathras	Mill Quality Loose	550	NR	-
	Aligarh	Mill Quality Loose	1500	2500	-1000
Punjab	Khanna	Mill Quality Loose	1000	600	400
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	1000	1000	Unch
	Hodal	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	1000	1200	-200
	Bhiwani	Mill Quality Loose	500	1500	-1000
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			20-May-16	19-May-16	Change
Atta (50kg) Ordinary			925	925	Unch
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)	980	950	30
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: 19.5.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	478.50	479.50	462.50	468.75	-11.25
Sep-16	488.5	489.50	473.00	479.50	-10.50
Dec-16	505.0	505.25	490.75	497.50	-8.50
Mar-17	520.0	520.00	507.50	514.25	-7.25
May-17	527.8	527.75	517.25	522.75	-7.25
Jul-17	528.3	528.25	523.00	526.50	-6.00

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