

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. All India average price is higher by 5.89% in comparison to price in May, 2015 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. Govt. has estimated 94.02MMT wheat production in 3rd Adv. estimates released on 9th May-2016. However, lower arrivals and higher price in ongoing season hint towards lower production (around 90MMT) in 2016.

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.

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 firm.

Wheat Futures Contact: NCDEX Price							Date: 23.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	3	1660	1666	1658	1661	1770	-230	16070	120
16-July	4	1689	1692	1687	1689	590	-140	3200	180
16-Aug	3	1720	1720	1715	1715	5	-15	67	-462

Spread	Jun-16	July-16	Aug-16	
Spot Nazafgarh				
16-June	-36			
16-July		28		
16-Aug			26	

Stocks	Demat	In- Process	Total	FED
	21.May.16	21.May.16	21.May.16	16.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17535	197	17732	14606
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 23.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-May-16	21-May-16	
Delhi	Lawrence Road	Mill Delivery	1710	1710	Unch
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	1625	1640	-15
Gujarat	Rajkot	Mill Delivery	1640	1635	5
	Ahmedabad	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
	Surat	Mill Delivery	1750	1750	Unch
M.P.	Bhopal	Mill Quality Loose	1600	1600	Unch
	Indore	Mill Delivery	1710	Closed	-
Rajasthan	Kota	Mill Quality Loose	1585	1580	5
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1615	1610	5
	Mathura	Mill Quality Loose	1610	NR	-
	Kosi	Mill Quality Loose	1575	1565	10
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1575	NR	-
Punjab	Khanna	Mill Quality Loose	1525	1525	Unch
	(Ludhiana)Jagraon	Mill Delivery	1620	1620	Unch
Haryana	Sirsa	Mill Delivery loose	1520	1525	-5
	Hodal	Mill Delivery	1665	1665	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1630	1625	5
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1900	1900	Unch
	Madurai	Mill Quality	1957	1957	Unch
	Coimbatore	Mill Quality	1957	1957	Unch
Bihar	Sitamari	Mill Delivery	NR	NR	-

	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
			23-May-16	21-May-16	
Gujarat					
	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	1880	Closed	-
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	LokwanBilty	1780	1800	-20
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-May-16	21-May-16	
Delhi					
	Lawrence Road	Mill Delivery	10000	10000	Unch
	Narella	Mill Quality Loose	NR	NR	-
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	1200	1200	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	6000	Closed	-
Rajasthan	Kota	Mill Quality	15000	15000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	500	NR	-
	Kosi	Mill Quality Loose	3000	1565	1435
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	500	NR	-
Punjab	Khanna	Mill Quality Loose	1000	1000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	1500	-1300
	Hodal	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	600	500	100
	Bhiwani	Mill Quality Loose	1500	500	1000
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			23-May-16	21-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: 20.5.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	467.75	474.50	464.25	467.75	-1.00
Sep-16	478.00	485.00	475.25	478.75	-0.75
Dec-16	497.00	503.00	493.00	496.50	-1.00
Mar-17	514.25	519.75	510.00	513.50	-0.75
May-17	523.00	527.75	520.25	522.50	-0.25
Jul-17	526.75	531.25	525.00	527.25	0.75

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