

### Wheat Domestic Fundamentals:

**Mostly market remained unchanged and is likely to stay steady to slightly firm.** Lower arrival and confusion over actual production continue to affect normal market sentiments. Possibility of good monsoon as predicted by IMD this year may restrict commodity market to some extent. However, any major decrease is unlikely in the near term.

**Govt. may use two tools to curb wheat market if price continues to move up.** Firstly, it can revise sale price for OMSS July onward and secondly, revise import duty downward from 25 % to 10 %..It has ample stock to take care of any additional demand despite lower procurement.

**All India average wheat price increased by 5.19 % from Rs1675.35 to Rs1762.35 per qtl.** during the week ended 21<sup>st</sup> 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 3<sup>rd</sup> Adv. estimates released on 9<sup>th</sup> May-2016. However, lower arrivals and higher price in ongoing season hint towards lower production (around 90MMT) in 2016.

**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.

**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:

**Wheat arrival from new crop in July and weak CBOT restricted wheat export price to move in Russia.** Black Sea prices for Russian wheat (old crop) having 12.5 percent protein content were \$191.5 per tonne on a free-on-board (FOB) basis last week. Against it new wheat expected to be supplied in July and August is being quoted at \$176.5 per T. Russia has exported 23MMT wheat from 1st July to 18th May-2016. Third class wheat is being quoted at \$168 per tonne.

**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.

**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 Contract: NCDEX Price							Date: 24.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	1	1661	1667	1658	1662	2420	730	15900	170
16-July	3	1688	1695	1686	1692	820	225	3410	140
16-Aug	2	1718	1722	1718	1722	290	285	840	710

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	-7			
16-July		30		
16-Aug			29	

Stocks	Demat	In- Process	Total	FED
	23.May.16	23.May.16	23.May.16	23.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17683	305	17988	17683
Rajkot	-	-	-	-

### Wheat Daily Prices and Arrivals on 24.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-May-16	23-May-16	
Delhi	Lawrence Road	Mill Delivery	1700	1710	-10
	Narella	Mill Quality Loose	1655	NR	-
	Nazafgarh	Mill Quality Loose	1650	1625	25
Gujarat	Rajkot	Mill Delivery	1640	1640	Unch
	Ahmedabad	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
	Surat	Mill Delivery	1750	1750	Unch
M.P.	Bhopal	Mill Quality Loose	1625	1600	25
	Indore	Mill Delivery	1710	1710	Unch
Rajasthan	Kota	Mill Quality Loose	1590	1585	5
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1615	1615	Unch
	Mathura	Mill Quality Loose	1610	1610	Unch
	Kosi	Mill Quality Loose	1565	1575	-10
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1570	1575	-5
Punjab	Khanna	Mill Quality Loose	1525	1525	Unch
	(Ludhiana)Jagraon	Mill Delivery	1620	1620	Unch
Haryana	Sirsa	Mill Delivery loose	1560	1520	40
	Hodal	Mill Delivery	1680	1665	15
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1625	1630	-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
			24-May-16	23-May-16	
Gujarat					
	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	1900	1880	20
	Bhopal	Lokwan	1825	1800	25
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	LokwanBilty	1790	1780	10
	Baran	Lokwan	1700	1700	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-May-16	23-May-16	
Delhi					
	Lawrence Road	Mill Delivery	12000	10000	2000
	Narella	Mill Quality Loose	1500	NR	-
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	1000	1200	-200
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	5500	6000	-500
Rajasthan	Kota	Mill Quality	15000	15000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	1000	500	500
	Kosi	Mill Quality Loose	2000	3000	-1000
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	200	500	-300
Punjab	Khanna	Mill Quality Loose	1000	1000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	100	200	-100
	Karnal	Mill Delivery	500	600	-100
	Bhiwani	Mill Quality Loose	1500	1500	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			24-May-16	23-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	980	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: 23.5.2016					
Contract Month	Open	High	Low	Close	Change
<b>Jul-16</b>	466.00	469.00	461.00	462.00	-5.75
<b>Sep-16</b>	479.25	479.25	472.25	473.00	-5.75
<b>Dec-16</b>	496.25	497.75	490.25	491.00	-5.50
<b>Mar-17</b>	511.00	512.75	508.25	508.50	-5.00
<b>May-17</b>	518.00	521.00	517.50	517.50	-5.00
<b>Jul-17</b>	524.25	525.75	522.50	522.50	-4.75

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