

**Wheat Domestic Fundamentals:**

**Cash market moved slightly up and firmness is likely continue till June end. Bulk buyers are engaged in wheat purchase in Arah, Buxar and Sasaram and storing wheat locally at Rs 1705 per qtl. Its x go-down price.. Lower arrival and confusion over actual production continue to affect normal market sentiments. However, any major decrease is unlikely in the near term. Market is likely to trade steady to firm till June end.**

**India exported 947.36 tonne wheat during week ended 24<sup>th</sup> May-2016** against 1431.56 tonne during week ending 15<sup>th</sup> May-2016. Wheat has been exported at an average FoB of \$282.93 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.

**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 94.02 MMT 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 90 MMT) in 2016.

**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 up 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 23 MMT wheat from 1st July to 18th May-2016. Third class wheat is being quoted at \$168 per tonne.

**Wheat export from Ukraine may touch 15.6 MMT this year and total grain export is expected to reach a high of 38 MMT.** Maize share in export is 19.5 MMT. Season will end in July this year. In 2015 total grain production was pegged at 60 MMT. This year grain export has increased by 5 MMT in comparison to last year.

**IGC revised wheat production projection estimate up by 4 MMT to 717 MMT in end April-16** for crop year 2016-17. According to IGC global wheat production for 2015-16 was registered at 732 MMT. 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: 26.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	4	1667	1668	1661	1661	1290	30	15560	60
16-July	-2	1695	1697	1690	1690	590	75	3860	350
16-Aug	-6	1720	1720	1718	1718	30	20	930	10

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	-16			
16-July		29		
16-Aug			28	

Stocks	Demat	In- Process	Total	FED
	25.May.16	25.May.16	25.May.16	23.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17831	324	18155	17683
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 26.5.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-May-16	25-May-16	
Delhi	Lawrence Road	Mill Delivery	1705	1700	5
	Narella	Mill Quality Loose	1645	Closed	-
	Nazafgarh	Mill Quality Loose	1640	Closed	-
Gujarat	Rajkot	Mill Delivery	1670	1665	5
	Ahmedabad	Mill Delivery	1740	1735	5
	Dhrol	Mill Quality Loose	NR	NR	-
	Surat	Mill Delivery	1765	1760	5
M.P.	Bhopal	Mill Quality Loose	1625	1625	Unch
	Indore	Mill Delivery	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1600	1590	10
		Mill Delivery	1680	1650	30
U.P.	Kanpur	Mill Delivery	1620	1615	5
	Mathura	Mill Quality Loose	NR	1610	-
	Kosi	Mill Quality Loose	1568	1565	3
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1575	1565	10
Punjab	Khanna	Mill Quality Loose	1525	1525	Unch
	(Ludhiana)Jagraon	Mill Delivery	1630	1620	10
Haryana	Sirsa	Mill Delivery loose	1560	1560	Unch
	Hodal	Mill Delivery	1690	1680	10
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1620	1625	-5
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1950	1900	50
	Madurai	Mill Quality	2007	1957	50
	Coimbatore	Mill Quality	2007	1957	50
Bihar	Sitamari	Mill Delivery	NR	NR	-

	Khagariya	Mill Delivery	1600	1600	<b>Unch</b>
<b>FOR</b>	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-May-16	25-May-16	
<b>Gujarat</b>					
	Rajkot	Lokwan	1850	1800	<b>50</b>
<b>M.P.</b>	Indore	Lokwan	2100	2100	<b>Unch</b>
	Bhopal	Lokwan	1800	1825	<b>-25</b>
	Bina	Sarbati 306	NR	NR	-
<b>Rajasthan</b>	Kota	LokwanBilty	1850	1790	<b>60</b>
	Baran	Lokwan	NR	1700	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-May-16	25-May-16	
<b>Delhi</b>					
	Lawrence Road	Mill Delivery	7000	10000	<b>-3000</b>
	Narella	Mill Quality Loose	3000	Closed	-
	Nazafgarh	Mill Quality Loose	200	Closed	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1400	1500	<b>-100</b>
	Dhrol	Mill Quality Loose	NR	NR	-
<b>M.P.</b>	Indore	Mill Quality Loose	3000	2000	<b>1000</b>
<b>Rajasthan</b>	Kota	Mill Quality	15000	15000	<b>Unch</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	400	400	<b>Unch</b>
	Mathura	Mill Quality Loose	NR	1000	-
	Kosi	Mill Quality Loose	2000	1500	<b>500</b>
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	100	300	<b>-200</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	1000	600	<b>400</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	300	<b>-100</b>
	Hodal	Mill Quality Loose	100	100	<b>Unch</b>
	Karnal	Mill Delivery	150	500	<b>-350</b>
	Bhiwani	Mill Quality Loose	2000	1500	<b>500</b>
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			25-May-16	24-May-16	Change
	Atta (50kg) Ordinary		925	925	<b>Unch</b>
	Maida Grade 1 (90kg)		NA	NA	-
	Maida Grade 1 (50KG)		1260	1260	<b>Unch</b>

Suji (50kg)	1310	1310	Unch
Chokar (50 kg)	735	735	Unch
Chokar (34 kg)	490	490	Unch
Chakki Atta (50kg)	980	980	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: 25.5.2016**

Contract Month	Open	High	Low	Close	Change
<b>Jul-16</b>	464.00	469.00	463.00	466.00	<b>2.00</b>
<b>Sep-16</b>	475.00	479.75	474.00	477.25	<b>2.25</b>
<b>Dec-16</b>	493.75	497.50	492.50	495.00	<b>1.75</b>
<b>Mar-17</b>	510.00	514.00	509.75	512.25	<b>1.75</b>
<b>May-17</b>	522.25	522.50	518.75	521.75	<b>2.50</b>
<b>Jul-17</b>	524.25	527.50	524.25	527.25	<b>3.25</b>

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