

Wheat Domestic Fundamentals:

All India average wheat price decreased slightly by 0.01 % from Rs1742.97 to Rs1742.73 per qtl. during the week ended 30th May-2016. Actually, it is considered as a token decrease as arrival continues to decrease and market is still hovering above MSP price. All India average price is higher by 3.58% in comparison to price in end May, 2015 on month average basis. In May, 2015 average price was registered at 1682.36 per qtl.

This year overall arrival has been registered at 25.29MMT against 30.49MMT last year till date. The difference is over 5 MMT. Lower procurement is expected to drive down central pool stock near minimum required buffer stock norms in fourth quarter of this MY. The only silver lining is possibility of good rainfall that may increase area next season.

Cash markets trade range bound at the fag end of the week and may continue to hover around current price in the short term. Bulk buyers are engaged in wheat purchasing in Arah, Buxar and Sasaram and storing wheat locally at Rs 1705 per qtl...Lower arrival and confusion over actual production continue to affect normal market sentiment.

India exported 947.36tonne wheat during week ended 24th May-2016 against 1431.56 tonne during week ending 15th 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.

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:

IGC has revised global wheat production estimate up from 717 to 722 MMT in its May-2016 update. Global trade estimate has been revised up by 1 MMT to 154MMT. Global consumption estimate has been revised up by 2MMT to 717 MMT. Carryout stock has been revised up from 218 to 223 MMT.

Russia will procure wheat for restocking programme in MY 2016-17 ,starting from July at \$161 per T(10,900 roubles) for third class wheat, almost same price set for last year. At the end of last week, domestic prices for third-class wheat were at 10,925 roubles a tonne in the European part of Russia on an ex-works basis

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 60MMT. This year grain export has increased by 5 MMT in comparison to last year.

Domestic market Outlook: Wheat cash market is likely to trade steady.

Wheat Futures Contract: NCDEX Price							Date: 27.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	0	1661	1667	1660	1664	1520	330	15725	260
16-July	-3	1690	1696	1690	1695	710	65	4125	850
16-Aug	-5	1720	1725	1718	1725	240	120	1025	125

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	-24			
16-July		31		
16-Aug			30	

Stocks	Demat	In- Process	Total	FED
	26.May.16	26.May.16	26.May.16	23.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18036	236	18272	17683
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 26.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-May-16	26-May-16	
Delhi	Lawrence Road	Mill Delivery	1710	1705	5
	Narella	Mill Quality Loose	1640	1645	-5
	Nazafgarh	Mill Quality Loose	1630	1640	-10
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Dhrol	Mill Quality Loose	1760	NR	-
	Surat	Mill Delivery	1760	1765	-5
M.P.	Bhopal	Mill Quality Loose	1640	1625	15
	Indore	Mill Delivery	1765	1750	15
Rajasthan	Kota	Mill Quality Loose	1600	1600	Unch
		Mill Delivery	1700	1680	20
U.P.	Kanpur	Mill Delivery	1615	1620	-5
	Mathura	Mill Quality Loose	1600	NR	-
	Kosi	Mill Quality Loose	1575	1568	7
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1575	1575	Unch
Punjab	Khanna	Mill Quality Loose	1530	1525	5
	(Ludhiana)Jagraon	Mill Delivery	1630	1630	Unch
Haryana	Sirsa	Mill Delivery loose	1565	1560	5
	Hodal	Mill Delivery	1690	1690	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1630	1620	10
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2000	1950	50
	Madurai	Mill Quality	2057	2007	50
	Coimbatore	Mill Quality	2057	2007	50

Bihar	Sitamari	Mill Delivery	1440	NR	-
	Khagariya	Mill Delivery	1625	1600	25
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			27-May-16	26-May-16	
	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1825	1800	25
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1800	1850	-50
	Baran	Lokwan	1700	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			27-May-16	26-May-16	
	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	1500	3000	-1500
	Nazafgarh	Mill Quality Loose	500	200	300
Gujarat	Rajkot	Mill Quality Loose	1200	1400	-200
	Dhrol	Mill Quality Loose	92	NR	-
M.P.	Indore	Mill Quality Loose	5000	3000	2000
Rajasthan	Kota	Mill Quality	15000	15000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	1000	NR	-
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	100	100	Unch
Punjab	Khanna	Mill Quality Loose	1500	1000	500
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	150	100	50
	Karnal	Mill Delivery	100	150	-50
	Bhiwani	Mill Quality Loose	2000	2000	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	27-May-16	26-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	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: 26.5.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	450.75	464.25	450.50	462.25	11.25
Sep-16	466.75	480.00	466.50	478.50	11.75
Dec-16	490.00	502.75	490.00	501.50	11.75
Mar-17	506.50	518.75	506.50	517.75	12.00
May-17	524.00	528.75	524.00	527.75	12.25
Jul-17	520.25	535.25	520.25	535.25	12.50

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