

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
	27.May.16	27.May.16	27.May.16	23.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18036	531	18567	17683
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 28.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-May-16	27-May-16	
Delhi	Lawrence Road	Mill Delivery	1725	1710	15
	Narella	Mill Quality Loose	1685	1640	45
	Nazafgarh	Mill Quality Loose	1655	1630	25
Gujarat	Rajkot	Mill Delivery	1665	1670	-5
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Dhrol	Mill Quality Loose	NA	1760	-
	Surat	Mill Delivery	1760	1760	Unch
M.P.	Bhopal	Mill Quality Loose	1620	1640	-20
	Indore	Mill Delivery	1765	1765	Unch
Rajasthan	Kota	Mill Quality Loose	1600	1600	Unch
		Mill Delivery	1690	1700	-10
U.P.	Kanpur	Mill Delivery	1625	1615	10
	Mathura	Mill Quality Loose	1600	1600	Unch
	Kosi	Mill Quality Loose	1592	1575	17
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1600	1575	25
Punjab	Khanna	Mill Quality Loose	1530	1530	Unch
	(Ludhiana)Jagraon	Mill Delivery	1630	1630	Unch
Haryana	Sirsa	Mill Delivery loose	1570	1565	5
	Hodal	Mill Delivery	1700	1690	10
	Karnal	Mill Delivery	1580	NA	-
	Bhiwani	Mill Quality Loose	1625	1630	-5
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1950	2000	-50
	Madurai	Mill Quality	2007	2057	-50
	Coimbatore	Mill Quality	2007	2057	-50

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			28-May-16	27-May-16	
	Rajkot	Lokwan	1800	1850	-50
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1825	1825	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1800	1800	Unch
	Baran	Lokwan	1700	1700	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			28-May-16	27-May-16	
	Lawrence Road	Mill Delivery	10000	7000	3000
	Narella	Mill Quality Loose	3000	1500	1500
	Nazafgarh	Mill Quality Loose	200	500	-300
Gujarat	Rajkot	Mill Quality Loose	1600	1200	400
	Dhrol	Mill Quality Loose	NR	92	-
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	15000	15000	Unch
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	1500	2000	-500
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	300	100	200
Punjab	Khanna	Mill Quality Loose	800	1500	-700
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	200	200
	Hodal	Mill Quality Loose	100	150	-50
	Karnal	Mill Delivery	125	100	25
	Bhiwani	Mill Quality Loose	600	2000	-1400
	Panipat	Mill Quality Loose	NA	NA	-



Wheat Products Delhi	28-May-16	27-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: 27.5.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	534.00	534.25	526.75	528.00	-6.50
Sep-16	540.50	541.25	534.75	535.50	-6.75
Dec-16	555.25	555.25	548.25	549.25	-6.00
Mar-17	565.50	566.50	559.75	562.00	-4.25
May-17	571.50	573.50	569.25	569.25	-3.75
Jul-17	572.00	582.50	572.00	576.50	-3.25

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