

**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 30<sup>th</sup> 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 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.

**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 trade steady.

| Wheat Futures Contact: 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    |

|              |                              |               |        |      |            |
|--------------|------------------------------|---------------|--------|------|------------|
| <b>Bihar</b> | Sitamari                     | Mill Delivery | Closed | 1440 | -          |
|              | Khagariya                    | Mill Delivery | 1600   | 1625 | <b>-25</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      |
|------------------|--------|--------------|-----------------|-----------|-------------|
|                  |        |              | 28-May-16       | 27-May-16 |             |
| <b>Gujarat</b>   |        |              |                 |           |             |
|                  | Rajkot | Lokwan       | 1800            | 1850      | <b>-50</b>  |
| <b>M.P.</b>      | Indore | Lokwan       | 2100            | 2100      | <b>Unch</b> |
|                  | Bhopal | Lokwan       | 1825            | 1825      | <b>Unch</b> |
|                  | Bina   | Sarbati 306  | NR              | NR        | -           |
| <b>Rajasthan</b> | Kota   | Lokwan Bilty | 1800            | 1800      | <b>Unch</b> |
|                  | Baran  | Lokwan       | 1700            | 1700      | <b>Unch</b> |

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