

Wheat Domestic Fundamentals:

Cash wheat market trades up as inner tone in the market remains firm. Arrivals have decreased sharply and buyers, especially millers offer higher price for wheat to meet their immediate requirements. Wheat prices have increased by Rs 40/50 per atl . in last three days. Uptrend is likely to continue as futures continue to trade firm.

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

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.

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.

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 to slightly firm.

Wheat Futures Contact: NCDEX Price							Date: 30.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	22	1668	1692	1668	1687	5950	4330	14580	-460
16-July	29	1701	1725	1701	1720	7300	365	8950	4850
16-Aug	26	1734	1750	1734	1750	240	10	1110	105

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	0			
16-July		33		
16-Aug			30	

Stocks	Demat	In- Process	Total	FED
	28.May.16	28.May.16	28.May.16	23.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18517	58	18575	17683
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 30.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-May-16	28-May-16	
Delhi					
	Lawrence Road	Mill Delivery	1770	1725	45
	Narella	Mill Quality Loose	1687	1685	2
	Nazafgarh	Mill Quality Loose	NA	1655	-
Gujarat	Rajkot	Mill Delivery	1670	1665	5
	Ahmadabad	Mill Delivery	1740	1740	Unch
	Dhrol	Mill Quality Loose	NA	NA	-
	Surat	Mill Delivery	1760	1760	Unch
M.P.	Bhopal	Mill Quality Loose	1625	1620	5
	Indore	Mill Delivery	1775	1765	10
Rajasthan	Kota	Mill Quality Loose	1620	1600	20
		Mill Delivery	1700	1690	10
U.P.	Kanpur	Mill Delivery	1640	1625	15
	Mathura	Mill Quality Loose	1610	1600	10
	Kosi	Mill Quality Loose	1600	1592	8
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	1535	1530	5
	(Ludhiana)Jagraon	Mill Delivery	NA	1630	-
Haryana	Sirsa	Mill Delivery loose	1610	1570	40
	Hodal	Mill Delivery	1700	1700	Unch
	Karnal	Mill Delivery	1585	1580	5
	Bhiwani	Mill Quality Loose	1625	1625	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch
	Madurai	Mill Quality	2007	2007	Unch
	Coimbatore	Mill Quality	2007	2007	Unch

Bihar	Sitamari	Mill Delivery	1450	Closed	-
	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			30-May-16	28-May-16	
	Rajkot	Lokwan	1850	1800	50
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1800	1825	-25
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1810	1800	10
	Baran	Lokwan	1700	1700	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			30-May-16	28-May-16	
	Lawrence Road	Mill Delivery	15000	10000	5000
	Narella	Mill Quality Loose	800	3000	-2200
	Nazafgarh	Mill Quality Loose	NA	200	-
Gujarat	Rajkot	Mill Quality Loose	1600	1600	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	4000	5000	-1000
Rajasthan	Kota	Mill Quality	12000	15000	-3000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	1000	1500	-500
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	Closed	300	-
Punjab	Khanna	Mill Quality Loose	2000	800	1200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	400	-100
	Hodal	Mill Quality Loose	50	100	-50
	Karnal	Mill Delivery	NA	125	-
	Bhiwani	Mill Quality Loose	700	600	100
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	30-May-16	28-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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