

Wheat Domestic Fundamentals:

Wheat prices stayed steady at previous level in the wholesale grains market on normal buying by local flour millers amid tight arrivals from producing belts. Market is likely to trade steady to slightly firm on tight supply side. Wheat (mill quality) stayed steady at Rs 1,735-1,740 per quintal. Atta flour mills, maida and sooji also traded unchanged at Rs 930-940, Rs 990-1,000 and Rs 1,035-1,050 from previous levels of Rs 910-915, Rs 970-980 and Rs 1,000-1,020 per 50 kg respectively.

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 **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.

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 weak in the short term..

Wheat Futures Contact: NCDEX Price							Date: 31.05.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	-10	1692	1692	1678	1678	1100	-4330	14080	-400
16-July	-11	1719	1722	1706	1709	1890	-3365	9900	-1650
16-Aug	-6	1743	1747	1736	1736	110	-110	1170	60

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	-12			
16-July		31		
16-Aug			25	

Stocks	Demat	In- Process	Total	FED
	30.May.16	30.May.16	30.May.16	30.May.16
Delhi	2646	0	2646	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18527	48	18575	18528
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 31.5.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-May-16	30-May-16	
Delhi	Lawrence Road	Mill Delivery	1765	1770	-5
	Narella	Mill Quality Loose	1690	1687	3
	Nazafgarh	Mill Quality Loose	1690	NA	-
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmadabad	Mill Delivery	1740	1740	Unch
	Dhrol	Mill Quality Loose	1860	1770	90
	Surat	Mill Delivery	1765	1760	5
M.P.	Bhopal	Mill Quality Loose	1640	1625	15
	Indore	Mill Delivery	1800	1775	25
Rajasthan	Kota	Mill Quality Loose	1615	1620	-5
		Mill Delivery	1700	1700	Unch
U.P.	Kanpur	Mill Delivery	1630	1640	-10
	Mathura	Mill Quality Loose	1620	1610	10
	Kosi	Mill Quality Loose	1600	1600	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1540	1535	5
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1590	1610	-20
	Hodal	Mill Delivery	1750	1700	50
	Karnal	Mill Delivery	1610	1585	25
	Bhiwani	Mill Quality Loose	1670	1625	45
	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	1445	1450	-5
	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			31-May-16	30-May-16	
	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1825	1800	25
	Bina	Sarbati 306	2650	2700	-
Rajasthan	Kota	LokwanBilty	1850	1810	40
	Baran	Lokwan	NA	1700	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			31-May-16	30-May-16	
	Lawrence Road	Mill Delivery	10000	15000	-5000
	Narella	Mill Quality Loose	2000	800	1200
	Nazafgarh	Mill Quality Loose	400	NA	-
Gujarat	Rajkot	Mill Quality Loose	1200	1600	-400
	Dhrol	Mill Quality Loose	83	41	42
M.P.	Indore	Mill Quality Loose	4000	4000	Unch
Rajasthan	Kota	Mill Quality	13000	12000	1000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	2500	1000	1500
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	50	Closed	-
Punjab	Khanna	Mill Quality Loose	500	2000	-1500
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	300	-200
	Hodal	Mill Quality Loose	100	50	50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2000	700	1300
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	31-May-16	30-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: 30.5.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	462.00	463.75	458.00	459.75	-2.50
Sep-16	478.00	479.75	474.00	475.75	-2.75
Dec-16	501.50	502.00	497.50	498.50	-3.00
Mar-17	514.25	517.50	514.25	514.75	-3.00
May-17	524.75	524.75	524.75	524.75	-3.00
Jul-17	533.50	534.25	532.50	532.50	-2.75

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