

### Wheat Domestic Fundamentals:

**All India average monthly price decreased by 1.61 percent from Rs 1734 (in April) to Rs 1706.06 per qtl in May-2016** despite tight supply side and private trades active buying. As supply side is tight and private holding/retention is considered to be 10 to 15 percent higher this year, prices of wheat are bound to go up in next quarter, starting from July-2016. There is a wide gap on production estimates and it has encouraged retention tendency at farmers and stockists' level. Lower procurement, higher prevailing price and prevailing gossip in market hint towards lower than normal production. Controversy on production size may continue as there is a huge difference on yield front. Agriwatch will revise its wheat production estimate in July-2016.

**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.

**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.

**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:

**Thailand last week bought 60,000 tonnes of Black Sea feed wheat** for \$187 a tonne, including cost and freight, for August shipment. Most feed makers are taking Ukrainian shipments, although some Argentinean and French cargoes have also made their way to Asia.

**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..

<b>Wheat Futures Contract: NCDEX Price</b>							<b>Date: 02.06.2016</b>		
<b>Contract Month</b>	<b>Ch from previous day</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Vol</b>	<b>Ch. From previous day</b>	<b>OI</b>	<b>Ch. From previous day</b>
<b>16-June</b>	<b>-8</b>	1682	1682	1666	1671	2530	10	13080	30
<b>16-July</b>	<b>-12</b>	1703	1704	1694	1696	1810	-965	12640	325
<b>16-Aug</b>	<b>-10</b>	1728	1728	1722	1727	140	1260	1260	940

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	29			
16-July		25		
16-Aug			31	

Stocks	Demat	In- Process	Total	FED
	01.June.16	01.June.16	01.June.16	30.May.16
Delhi	2636	0	2636	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18527	99	18626	18528
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 02.06.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-June-16	1-June-16	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1700	Closed	-
	Nazafgarh	Mill Quality Loose	1685	Closed	-
Gujarat	Rajkot	Mill Delivery	1700	1680	20
	Ahmadabad	Mill Delivery	1750	1750	Unch
	Dhrol	Mill Quality Loose	NR	1840	-
	Surat	Mill Delivery	1770	1770	Unch
M.P.	Bhopal	Mill Quality Loose	1625	1640	-15
	Indore	Mill Delivery	1765	1800	-35
Rajasthan	Kota	Mill Quality Loose	1610	1615	-5
		Mill Delivery	1700	1700	Unch
U.P.	Kanpur	Mill Delivery	1630	1630	Unch
	Mathura	Mill Quality Loose	1625	1625	Unch
	Kosi	Mill Quality Loose	1608	1606	2
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1640	Closed	-
Punjab	Khanna	Mill Quality Loose	1530	1530	Un-ch
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1625	1605	20
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1625	1625	Unch
	Bhiwani	Mill Quality Loose	1675	1660	15
	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

<b>Bihar</b>	Sitamari	Mill Delivery	1455	NR	-
	Khagariya	Mill Delivery	1600	1600	Unch
<b>FOR</b>	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
<b>Gujarat</b>			<b>2-June-16</b>	<b>1-June-16</b>	
	Rajkot	Lokwan	1850	1850	Unch
<b>M.P.</b>	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1800	1825	-25
	Bina	Sarbati 306	2650	Closed	-
<b>Rajasthan</b>	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	NR	1700	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
<b>Delhi</b>			<b>2-June-16</b>	<b>1-June-16</b>	
	Lawrence Road	Mill Delivery	8000	15000	-7000
	Narella	Mill Quality Loose	3000	Closed	-
	Nazafgarh	Mill Quality Loose	500	Closed	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1400	1200	200
	Dhrol	Mill Quality Loose	NR	42	-
<b>M.P.</b>	Indore	Mill Quality Loose	2000	5000	-3000
<b>Rajasthan</b>	Kota	Mill Quality	12000	13000	-1000
<b>U.P.</b>	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	1000	1200	-200
	Kosi	Mill Quality Loose	1500	2000	-500
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	200	Closed	-
<b>Punjab</b>	Khanna	Mill Quality Loose	600	700	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	150	50
	Hodal	Mill Quality Loose	50	150	-100
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1000	500	500
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	2-June-16	1-June-16	Change
Atta (50kg) Ordinary	925	925	Unch
Maida Grade 1 (90kg)	NA	NA	-
Maida Grade 1 (50KG)	1290	1260	30
Suji (50kg)	1340	1310	30
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: 01.06.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	464.50	474.75	463.00	473.75	9.25
Sep-16	476.00	485.75	475.00	485.00	9.50
Dec-16	493.50	504.25	492.00	503.00	9.50
Mar-17	510.00	521.25	508.75	520.50	9.75
May-17	520.50	532.50	519.50	531.75	10.50
Jul-17	527.00	538.75	525.75	538.75	11.00

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