

Wheat Domestic Fundamentals:

All India average wheat price increased smartly by 4.01 % from Rs1740.84 to Rs1810.73 per qtl. during the week ended 4th May-2016. Arrival continues to decrease and private buyers remain active above Rs 1700 per qtl. All India average price is higher by 8.88% in comparison to price registered in June, 2015. In June, 2015 average price was registered at 1662.94 per qtl.

Overall trend in cash market is expected to remain firm as fear of lower production is gaining solid ground now. Govt. has estimated 94.02MMT wheat production in 3rd Adv. estimates released on 9th May-2016. However, lower arrivals and higher price in ongoing season hint lower production size (around 87/88MMT) in 2016.

Govt.'s procurement target for the year is unchanged at 30 MMT and there is no reduction in its target so far despite slower pace of procurement in Rajasthan, MP and Uttar Pradesh. Procurement has been below 23 MMT so far. There is a gossip in the market that higher prevailing price in open market and thinning arrival may restrict total procurement to 24MMT for the ongoing season.

Govt agencies have procured 224.81 tonnes wheat till 14 May-2016. Punjab, Haryana, Madhya Pradesh have contributed 106.16, 67.68 & 30.02 lakh tonnes wheat respectively so far. Rajasthan and Uttar Pradesh have brought 6.78 & 6.66 lakh tonnes wheat till 14th May-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.

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 firm in the short term..

Wheat Futures Contact: NCDEX Price							Date: 03.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	9	166	1681	1666	1678	2170	-510	12500	-1000
16-July	9	1695	1710	1694	1707	2630	3365	13940	2325
16-Aug	12	1730	1738	1730	1738	60	80	1250	-10

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	22			
16-July		29		
16-Aug			31	

Stocks	Demat	In- Process	Total	FED
	02.June.16	02.June.16	02.June.16	30.May.16
Delhi	2636	0	2636	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18578	224	18802	18528
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 03.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-June-16	2-June-16	
Delhi	Lawrence Road	Mill Delivery	1780	1765	15
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1700	1685	15
Gujarat	Rajkot	Mill Delivery	1710	1700	10
	Ahmadabad	Mill Delivery	1750	1750	Unch
	Dhrol	Mill Quality Loose	1815	1950	-135
	Surat	Mill Delivery	1775	1770	5
M.P.	Bhopal	Mill Quality Loose	1625	1625	Unch
	Indore	Mill Delivery	1765	1765	Unch
Rajasthan	Kota	Mill Quality Loose	1610	1610	Unch
		Mill Delivery	1700	1700	Unch
U.P.	Kanpur	Mill Delivery	1630	1630	Unch
	Mathura	Mill Quality Loose	1631	1625	6
	Kosi	Mill Quality Loose	1607	1608	-1
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1630	1640	-10
Punjab	Khanna	Mill Quality Loose	1535	1530	5
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1620	1625	-5
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1660	1625	35
	Bhiwani	Mill Quality Loose	1675	1675	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	1455	1455	Unch
	Khagariya	Mill Delivery	1600	1600	Unch
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			3-June-16	2-June-16	
	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	2600	2650	-50
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1700	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			3-June-16	2-June-16	
	Lawrence Road	Mill Delivery	15000	8000	7000
	Narella	Mill Quality Loose	3000	3000	Unch
	Nazafgarh	Mill Quality Loose	300	500	-200
Gujarat	Rajkot	Mill Quality Loose	1000	1400	-400
	Dhrol	Mill Quality Loose	79	59	20
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	12000	12000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	600	1000	-400
	Kosi	Mill Quality Loose	1500	1500	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	100	200	-100
Punjab	Khanna	Mill Quality Loose	600	600	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	50	50	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1000	1000	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	3-June-16	2-June-16	Change
Atta (50kg) Ordinary	925	925	Unch
Maida Grade 1 (90kg)	NA	NA	-
Maida Grade 1 (50KG)	1290	1290	Unch
Suji (50kg)	1340	1340	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: 02.06.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	473.50	487.00	472.75	485.50	11.75
Sep-16	484.75	497.75	484.00	496.25	11.25
Dec-16	502.25	515.25	502.25	514.00	11.00
Mar-17	522.50	532.00	520.25	531.00	10.50
May-17	535.00	543.00	532.00	542.25	10.50
Jul-17	538.75	551.00	537.75	550.00	11.25

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