

**Wheat Domestic Fundamentals:**

**Mostly cash market traded mixed at the fag end of the week.**All India average wheat price increased smartly by 4.01 % from Rs1740.84 to Rs1810.73 per qtl. during the week ended 4<sup>th</sup> 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 3<sup>rd</sup> Adv. estimates released on 9<sup>th</sup> 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:**

**Wheat production in Australia for the 2016-2017 season (October-September)** is expected to reach as high as 27.1 million mt, if La Nina occurs with 20% above-average rainfall in the country, said National Bank of Australia

**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

**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
	<b>03.June.16</b>	<b>03.June.16</b>	<b>03.June.16</b>	<b>30.May.16</b>
<b>Delhi</b>	2636	0	2636	2646
<b>Itarsi</b>	-	-	-	-
<b>Kanpur</b>	-	-	-	-
<b>Kota</b>	18578	392	18970	18528
<b>Rajkot</b>	-	-	-	-

**Wheat Daily Prices and Arrivals on 04.06.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-June-16	3-June-16	
<b>Delhi</b>	Lawrence Road	Mill Delivery	1775	1780	-5
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
<b>Gujarat</b>	Rajkot	Mill Delivery	1720	1710	10
	Ahmadabad	Mill Delivery	1750	1750	Unch
	Dhrol	Mill Quality Loose	NR	1815	-
	Surat	Mill Delivery	1770	1775	-5
<b>M.P.</b>	Bhopal	Mill Quality Loose	1625	1625	Unch
	Indore	Mill Delivery	1765	1765	Unch
<b>Rajasthan</b>	Kota	Mill Quality Loose	1620	1610	10
		Mill Delivery	1690	1700	-10
<b>U.P.</b>	Kanpur	Mill Delivery	1630	1630	Unch
	Mathura	Mill Quality Loose	1630	1631	-1
	Kosi	Mill Quality Loose	1607	1607	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1640	1630	10
<b>Punjab</b>	Khanna	Mill Quality Loose	1535	1535	Unch
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	1635	1620	15
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1650	1660	-10
	Bhiwani	Mill Quality Loose	1700	1675	25
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	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	1455	Unch
	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>4-June-16</b>	<b>3-June-16</b>	
	Rajkot	Lokwan	1850	1850	Unch
<b>M.P.</b>	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	2650	2600	50
<b>Rajasthan</b>	Kota	LokwanBilty	1800	1850	-50
	Baran	Lokwan	NR	1700	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
<b>Delhi</b>			<b>4-June-16</b>	<b>3-June-16</b>	
	Lawrence Road	Mill Delivery	12000	15000	-3000
	Narella	Mill Quality Loose	1000	3000	-2000
	Nazafgarh	Mill Quality Loose	300	300	Unch
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1000	1000	Unch
	Dhrol	Mill Quality Loose	NR	79	-
<b>M.P.</b>	Indore	Mill Quality Loose	1500	2000	-500
<b>Rajasthan</b>	Kota	Mill Quality	10000	12000	-2000
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	600	600	Unch
	Kosi	Mill Quality Loose	1500	1500	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	400	100	300
<b>Punjab</b>	Khanna	Mill Quality Loose	700	600	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	50	50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1000	1000	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	4-June-16	3-June-16	Change
Atta (50kg) Ordinary	950	925	25
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: 03.06.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	484.25	498.25	482.25	497.25	11.75
Sep-16	494.75	507.25	492.75	506.75	10.50
Dec-16	512.75	523.50	510.75	523.00	9.00
Mar-17	530.00	540.50	527.50	540.00	9.00
May-17	541.00	551.75	539.50	551.25	9.00
Jul-17	548.00	559.25	546.75	559.25	9.25

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