

### Wheat Domestic Fundamentals:

**Major wheat cash markets stayed steady despite firm inner tone.** 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. 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:

**Bangladesh received a lowest offer of \$233.17 a tonne from Singapore-based Agro Food** in a tender to import 50,000 tonnes of wheat. Only one other trader, Olam International, competed for the tender from the Directorate General of Food, quoting \$249.89 a tonne.

**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

**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 in a range bound in the short term..

Wheat Futures Contact: NCDEX Price							Date: 06.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	1	1679	1690	1677	1679	2780	570	11390	-850
16-July	2	1708	1721	1708	1709	3670	-985	15150	1225
16-Aug	-3	1738	1753	1734	1734	15	-45	124	-1110

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	21			
16-July		30		
16-Aug			25	

Stocks	Demat	In- Process	Total	FED
	4.June.16	4.June.16	4.June.16	30.May.16
Delhi	2636	0	2636	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18578	176	18754	18528
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 06.06.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-June-16	4-June-16	
Delhi					
	Lawrence Road	Mill Delivery	1770	1775	-5
	Narella	Mill Quality Loose	NR	1700	-
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1750	1720	30
	Ahmadabad	Mill Delivery	1760	1750	10
	Dhrol	Mill Quality Loose	NR	NR	-
	Surat	Mill Delivery	1780	1770	10
M.P.	Bhopal	Mill Quality Loose	1650	1625	25
	Indore	Mill Delivery	1765	1765	Unch
Rajasthan	Kota	Mill Quality Loose	1650	1620	30
		Mill Delivery	1700	1690	10
U.P.	Kanpur	Mill Delivery	1625	1630	-5
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1606	1607	-1
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1650	1640	10
Punjab	Khanna	Mill Quality Loose	NR	1535	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1635	1635	Unch
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1660	1660	Unch
	Bhiwani	Mill Quality Loose	1700	1700	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

<b>Bihar</b>	Sitamari	Mill Delivery	1450	1455	<b>-5</b>
	Khagariya	Mill Delivery	1650	1600	<b>50</b>
<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>6-June-16</b>	<b>4-June-16</b>	
	Rajkot	Lokwan	1900	1850	<b>50</b>
<b>M.P.</b>	Indore	Lokwan	2100	2100	<b>Unch</b>
	Bhopal	Lokwan	1800	1800	<b>Unch</b>
	Bina	Sarbati 306	2650	2650	<b>Unch</b>
<b>Rajasthan</b>	Kota	LokwanBilty	1800	1800	<b>Unch</b>
	Baran	Lokwan	1700	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
<b>Delhi</b>			<b>6-June-16</b>	<b>4-June-16</b>	
	Lawrence Road	Mill Delivery	8000	12000	<b>-4000</b>
	Narella	Mill Quality Loose	NR	1000	-
	Nazafgarh	Mill Quality Loose	100	300	<b>-200</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1400	1000	<b>400</b>
	Dhrol	Mill Quality Loose	NR	NR	-
<b>M.P.</b>	Indore	Mill Quality Loose	2000	1500	<b>500</b>
<b>Rajasthan</b>	Kota	Mill Quality	8000	10000	<b>-2000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	500	<b>Unch</b>
	Mathura	Mill Quality Loose	200	600	<b>-400</b>
	Kosi	Mill Quality Loose	1500	1500	<b>Unch</b>
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	400	400	<b>Unch</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	NR	700	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	300	200	<b>100</b>
	Hodal	Mill Quality Loose	50	100	<b>-50</b>
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2000	1000	<b>1000</b>
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	6-June-16	4-June-16	Change
Atta (50kg) Ordinary	950	950	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: 03.06.2016					
Contract Month	Open	High	Low	Close	Change
<b>Jul-16</b>	484.25	498.25	482.25	497.25	11.75
<b>Sep-16</b>	494.75	507.25	492.75	506.75	10.50
<b>Dec-16</b>	512.75	523.50	510.75	523.00	9.00
<b>Mar-17</b>	530.00	540.50	527.50	540.00	9.00
<b>May-17</b>	541.00	551.75	539.50	551.25	9.00
<b>Jul-17</b>	548.00	559.25	546.75	559.25	9.25

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