

Wheat Domestic Fundamentals:

Major wheat cash markets traded almost flat taking clue from stable futures. All India average wheat price increased 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. 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 trade range bound in the short term..

Wheat Futures Contact: NCDEX Price							Date:07.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	2	1676	1685	1676	1682	1610	970	10900	-1850
16-July	2	1713	1715	1708	1713	1938	-1785	15980	425
16-Aug	2	1735	1745	1735	1742	680	445	1724	1110

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	18			
16-July		31		
16-Aug			29	

Stocks	Demat	In- Process	Total	FED
	6.June.16	6.June.16	6.June.16	30.May.16
Delhi	2636	0	2636	2646
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	18842	516	19358	18528
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 07.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-June-16	6-June-16	
Delhi	Lawrence Road	Mill Delivery	1770	1770	Unch
	Narella	Mill Quality Loose	1700	NR	-
	Nazafgarh	Mill Quality Loose	1680	1700	-20
Gujarat	Rajkot	Mill Delivery	1690	1750	-60
	Ahmadabad	Mill Delivery	1790	1760	30
	Dhrol	Mill Quality Loose	1920	NR	-
	Surat	Mill Delivery	1800	1780	20
M.P.	Bhopal	Mill Quality Loose	1650	1650	Unch
	Indore	Mill Delivery	1790	1765	25
Rajasthan	Kota	Mill Quality Loose	1625	1650	-25
		Mill Delivery	1710	1700	10
U.P.	Kanpur	Mill Delivery	1625	1625	Unch
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1611	1606	5
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	NR	1650	-
Punjab	Khanna	Mill Quality Loose	NR	NR	-
	(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	2000	1950	50
	Madurai	Mill Quality	2057	2007	50
	Coimbatore	Mill Quality	2057	2007	50

Bihar	Sitamari	Mill Delivery	1455	1450	5
	Khagariya	Mill Delivery	1600	1650	-50
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			7-June-16	6-June-16	
	Rajkot	Lokwan	1000	1900	-900
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1850	1800	50
	Bina	Sarbati 306	2700	2650	50
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	NR	1700	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			7-June-16	6-June-16	
	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	2050	NR	-
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	1000	1400	-400
	Dhrol	Mill Quality Loose	38	NR	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	7000	8000	-1000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	250	200	50
	Kosi	Mill Quality Loose	1500	1500	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	NR	400	-
Punjab	Khanna	Mill Quality Loose	NR	NR	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	50	50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	600	2000	-1400
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	7-June-16	6-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: 06.06.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	496.00	514.75	496.00	507.50	10.25
Sep-16	505.50	524.50	505.50	517.75	11.00
Dec-16	522.50	540.00	521.50	535.50	12.50
Mar-17	540.25	556.00	540.25	553.25	13.30
May-17	554.00	566.00	551.75	564.00	12.80
Jul-17	559.00	573.00	559.00	571.50	12.30

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