

Wheat Domestic Fundamentals:

Firm trend in wheat cash market continues as buyers remain active to cover their short/medium term demand anticipating short supply for FAQ variety in 2nd and 3rd quarters of this year. Wheat production has been pegged at 87 MMT by Agriwatch, much below than govt.'s estimate of 94MMT. It hints uptrend to continue until govt. intervenes. Rising price for wheat in domestic market would encourage inflation and govt. would not leave grains market unnoticed.

Agriwatch expects revision in import duty soon. Govt. may revise it down from 25 to 10 % to restrict uptrend. At current price Indian wheat FoB, if sourced from MP, Rajasthan for Kandla port, comes to \$ 275/276 per metric tonne. In INR term is Rs 18500 per tonne. At current price if Russian wheat is imported it may land at Indian port at \$245 per tonne with 10 % import duty. At 25 % it would be \$306.88 per T. If wheat is imported from France costing comes to \$ 297 At 25% duty, it comes to \$238.06 at 10 % duty. At 10 % duty Australian wheat costing at Indian port would be \$264.24 per Tonne. If govt. revises duty to 10 percent, parity would turn in favor of south Indian millers.

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.

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.

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.

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: 10.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	-11	1713	1715	1674	1695	6680	2970	6340	-2250
16-July	-14	1740	1748	1719	1721	12030	-1885	26750	11425
16-Aug	-15	1772	1778	1750	1750	960	345	131	-1310

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	5			
16-July		26		
16-Aug			29	

Stocks	Demat	In- Process	Total	FED
	9.June.16	9.June.16	9.June.16	6.June.16
Delhi	2636	0	2636	2636
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	19328	177	19505	19160
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 10.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Jun-16	09-Jun-16	
Delhi	Lawrence Road	Mill Delivery	1790	1780	10
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1710	1700	10
Gujarat	Rajkot	Mill Delivery	1760	1775	-15
	Ahmedabad	Mill Delivery	1790	1800	-10
	Dhrol	Mill Quality Loose	1915	1950	-35
	Surat	Mill Delivery	1820	1825	-5
M.P.	Bhopal	Mill Quality Loose	1675	1650	25
	Indore	Mill Delivery	1820	1800	20
Rajasthan	Kota	Mill Quality Loose	1640	1640	Unch
		Mill Delivery	1725	1725	Unch
U.P.	Kanpur	Mill Delivery	1635	1630	5
	Mathura	Mill Quality Loose	1640	1640	Unch
	Kosi	Mill Quality Loose	1620	1620	Unch
	Hathras	Mill Quality Loose	1615	1625	-10
	Aligarh	Mill Quality Loose	1630	1650	-20
Punjab	Khanna	Mill Quality Loose	NA	1540	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1645	1630	15
	Hodal	Mill Delivery	1740	1740	Unch
	Karnal	Mill Delivery	1650	1660	-10
	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2000	2000	Unch
	Madurai	Mill Quality	2057	2057	Unch
	Coimbatore	Mill Quality	2057	2057	Unch
Bihar	Muzaffarpur	Mill Delivery	1640	1640	Unch

	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
			10-Jun-16	9-Jun-16	
Gujarat					
	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1800	1825	-25
	Bina	Sarbati 306	2700	2700	Unch
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	1750	1725	25

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Jun-16	9-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	12000	8000	4000
	Narella	Mill Quality Loose	1000	1000	Unch
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	1100	1400	-300
	Dhrol	Mill Quality Loose	93	35	58
M.P.	Indore	Mill Quality Loose	1500	3000	-1500
Rajasthan	Kota	Mill Quality	10000	10000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	500	500	Unch
	Kosi	Mill Quality Loose	1500	1000	500
	Hathras	Mill Quality Loose	350	200	150
	Aligarh	Mill Quality Loose	1000	500	500
Punjab	Khanna	Mill Quality Loose	NA	300	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2000	2000	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Bihar	Muzaffarpur	Mill Delivery	NA	50	-

Wheat Products Delhi			10-Jun-16	9-Jun-16	Change
Atta (50kg) Ordinary			950	950	Unch
Maida Grade 1 (50KG)			1290	1290	Unch



Suji (50kg)	1350	1350	Unch
Chokar (50 kg)	735	735	Unch
Chokar (34 kg)	490	490	Unch
Chakki Atta (50kg)	980	980	Unch
Chakki Atta (50kg) Special	1025	1025	Unch
Chakki Atta (90kg) Superfine	1897	1897	Unch
Chakki Atta (50kg) Superfine	1035	1035	Unch

Wheat (CBOT) Future Price: 11.06.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	518.8	519.0	506.0	510.3	-9.25
Sep-16	529.5	530.0	517.3	521.5	-9.00
Dec-16	547.5	547.5	535.5	539.5	-8.75
Mar-17	563.0	566.3	553.5	557.0	-9.00
May-17	576.0	577.0	564.3	568.3	-8.50
Jul-17	582.3	583.0	570.8	575.8	-8.00

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