

Wheat Domestic Fundamentals:

All India average wheat price increased by 2.50 % from Rs1775.04 to Rs1869.70 per qtl. during the week ended 11th June-2016. Arrival continues to decrease and private buyers remain active above Rs 1700-Rs1725 per qtl. All India average price is higher by 8.31% in comparison to price registered in June, 2015. In June, 2015 average price was registered at 1680.91 per qtl. Overall trend in cash market is expected to remain firm as lower production this year has changed inner tone. 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 87MMT) in 2016.

India can import 5 million tonnes of wheat in 2016/17 as its local production is hit by back-to-back years of drought amid rising demand. Says ITC, a bulk consumer of wheat in India. Wheat production is expected to be in the range of 85 to 87 MMT this year.

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 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. Despite lower production govt. has sufficient stock to take care of market need. Besides, option for import and revision in import duty remain open.

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.

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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: 13.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	7	1694	1710	1697	1701	1360	-1970	5940	-1250
16-July	7	1724	1736	1723	1730	5590	-6885	26850	100
16-Aug	5	1779	1789	1755	1757	1270	645	3460	2310

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	24			
16-July		29		
16-Aug			27	

Stocks	Demat	In- Process	Total	FED
	11.June.16	11.June.16	11.June.16	6.June.16
Delhi	2134	0	2134	2636
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	19246	30	19276	19160
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 13.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jun-16	11-Jun-16	
Delhi	Lawrence Road	Mill Delivery	1790	1800	-10
	Narella	Mill Quality Loose	1725	1720	5
	Nazafgarh	Mill Quality Loose	1700	1720	-20
Gujarat	Rajkot	Mill Delivery	1755	1755	Unch
	Ahmedabad	Mill Delivery	1770	1780	-10
	Dhrol	Mill Quality Loose	1940	NR	-
	Surat	Mill Delivery	1805	1805	Unch
M.P.	Bhopal	Mill Quality Loose	1725	1725	Unch
	Indore	Mill Delivery	Closed	1810	-
Rajasthan	Kota	Mill Quality Loose	1680	1650	30
		Mill Delivery	1730	1725	5
U.P.	Kanpur	Mill Delivery	1625	1625	Unch
	Mathura	Mill Quality Loose	1655	1655	Unch
	Kosi	Mill Quality Loose	1625	1630	-5
	Hathras	Mill Quality Loose	NR	1630	-
	Aligarh	Mill Quality Loose	1655	1640	15
Punjab	Khanna	Mill Quality Loose	1610	1580	30
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1650	1640	10
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1650	1650	Unch
	Bhiwani	Mill Quality Loose	1700	NR	-
	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	1650	1640	10

	Khagariya	Mill Delivery	1700	1650	50
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jun-16	11-Jun-16	
Gujarat					
	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	Closed	2200	-
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2750	2700	50
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1750	1750	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jun-16	11-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	8000	9000	-1000
	Narella	Mill Quality Loose	1000	350	650
	Nazafgarh	Mill Quality Loose	500	300	200
Gujarat	Rajkot	Mill Quality Loose	1200	1000	200
	Dhrol	Mill Quality Loose	201	NR	-
M.P.	Indore	Mill Quality Loose	Closed	2000	-
Rajasthan	Kota	Mill Quality	10000	7500	2500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	600	500	100
	Kosi	Mill Quality Loose	1500	1500	Unch
	Hathras	Mill Quality Loose	NR	300	-
	Aligarh	Mill Quality Loose	400	800	-400
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	800	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			13-Jun-16	11-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: 10.6.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	510.3	512.5	494.3	495.0	-15.25
Sep-16	520.8	523.3	505.8	506.5	-15.00
Dec-16	538.8	541.3	524.3	524.8	-14.75
Mar-17	550.0	558.3	541.8	542.3	-14.75
May-17	568.0	570.0	553.8	554.3	-14.00
Jul-17	573.5	579.5	562.8	563.0	-12.75

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