

Wheat Domestic Fundamentals:

Wheat cash market trades firm despite increasing possibility of revision in duty in July 1st Week. After revision Agriwatch expects market to cool down. Likely good rainfall in monsoon season would increase farmers to increase area under wheat in Rabi season. Global market is bearish. So import option is always there. Besides, govt may release higher quantity through auction from July. So, stable market might be seen in July. Firmness is expected to continue till June.

Industry sources says that India may import wheat in the range of 2 to 3MMT in 2016-17 as bulk consumers in India have started looking for new source at affordable price. Wheat price in domestic market continues to increase and supply crunch may be felt in the third and fourth quarter-says industry sources. Wheat prices in India have climbed 9 per cent since April. Indian flour mills have signed deals to import wheat from Australia and France. Total quantity is said to be around 1) lakh tonne that may start arriving from July till September.

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.

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

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has revised its wheat production estimate for 2016-17 up from 24.4 to 25.4MMT. The new season will end on 1st July-2017. It would be the highest production after 2012-13. Higher wheat output from Australia will add pressure on global prices

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: 16.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	-1	1704	1704	1698	1703	210	-210	1840	-460
16-July	-5	1726	1730	1721	1723	2090	-585	25980	-105
16-Aug	0	1753	1756	1748	1752	490	-50	3670	100

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	-37			
16-July		20		
16-Aug			29	

Stocks	Demat	In- Process	Total	FED
	15.June.16	15.June.16	15.June.16	13.June.16
Delhi	2134	0	2134	2134
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	19374	0	19374	19246
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 16.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Jun-16	15-Jun-16	
Delhi	Lawrence Road	Mill Delivery	1800	1795	5
	Narella	Mill Quality Loose	1740	Closed	-
	Nazafgarh	Mill Quality Loose	1715	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	1780	Unch
	Ahmedabad	Mill Delivery	Closed	1800	Unch
	Dhrol	Mill Quality Loose	NR	1920	-
	Surat	Mill Delivery	1820	1820	Unch
M.P.	Bhopal	Mill Quality Loose	1725	1725	Unch
	Indore	Mill Delivery	1810	1810	Unch
Rajasthan	Kota	Mill Quality Loose	1680	1700	-20
		Mill Delivery	1750	1775	-25
U.P.	Kanpur	Mill Delivery	NR	NR	-
	Mathura	Mill Quality Loose	1655	1650	5
	Kosi	Mill Quality Loose	1636	1633	3
	Hathras	Mill Quality Loose	1660	1650	10
	Aligarh	Mill Quality Loose	1650	1650	Unch
Punjab	Khanna	Mill Quality Loose	1640	1610	30
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1665	1660	5
	Hodal	Mill Delivery	1760	1740	20
	Karnal	Mill Delivery	1680	1680	Unch
	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
Bihar	Muzaffarpur	Mill Delivery	1650	1645	5

	Khagariya	Mill Delivery	1700	1750	-50
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Jun-16	15-Jun-16	
Gujarat					
	Rajkot	Lokwan	Closed	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2700	Closed	-
Rajasthan	Kota	LokwanBilty	1850	1900	-50
	Baran	Lokwan	1750	1750	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Jun-16	15-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	7000	10000	-3000
	Narella	Mill Quality Loose	2000	Closed	-
	Nazafgarh	Mill Quality Loose	200	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	1500	Unch
	Dhrol	Mill Quality Loose	NR	35	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	7000	5000	2000
U.P.	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	400	500	-100
	Kosi	Mill Quality Loose	800	800	Unch
	Hathras	Mill Quality Loose	350	300	50
	Aligarh	Mill Quality Loose	500	500	Unch
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	600	1000	-400
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			16-Jun-16	15-Jun-16	Change
Atta (50kg) Ordinary			975	975	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: 15.6.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	485.00	489.75	477.00	477.50	-7.50
Sep-16	498.00	503.25	489.00	489.50	-8.25
Dec-16	518.25	524.50	509.75	510.25	-8.00
Mar-17	539.50	543.75	529.75	530.25	-7.75
May-17	552.00	555.00	542.50	542.50	-7.25
Jul-17	559.25	563.75	551.25	552.00	-6.50

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