

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. Wheat cash market moves up with talks that govt. would not change current applicable import duty structure. Govt. has ample stock to take care of lean season demand despite lower procurement.

Unchanged duty structure would ensure better price for farmers who have retained stock and expectation of higher area coverage in Rabi season amid hope for good rainfall this year. Govt. may start wheat auction from July-2016 having reserve price of Rs 1640 per qtl. If prices continue to increase govt may review duty structure at the end of the year. Offtake from central pool is expected to increase by this move.

India exported 845.65 T wheat during week ending 12th June-2016. Average FoB price was registered at \$265.82 per tonne. The highest and lowest quote was registered at \$389.04 & \$99.55 per T. India had exported 1390.61 T wheat previous week. Export volume would remain negligible as parity is not in favor of India.

First shipment from France is expected in July end, first in this financial year. In the second quarter total 8 lakh tonne wheat is expected to land at south Indian port including Kerala.

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 Kandlaport, 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.

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.

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: 17.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	46	1703	1785	1743	1749	310	100	1700	-140
16-July	49	1728	1730	1728	1772	28480	5850	31580	5105
16-Aug	38	1760	1805	1760	1791	5410	4250	4320	1750

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	29			
16-July		23		
16-Aug			19	

Stocks	Demat	In- Process	Total	FED
	16.June.16	16.June.16	16.June.16	13.June.16
Delhi	1635	0	1635	2134
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	19374	0	19374	19246
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 17.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Jun-16	16-Jun-16	
Delhi	Lawrence Road	Mill Delivery	1800	1800	Unch
	Narella	Mill Quality Loose	1720	1740	-20
	Nazafgarh	Mill Quality Loose	1715	1715	Unch
Gujarat	Rajkot	Mill Delivery	1790	Closed	-
	Ahmedabad	Mill Delivery	1810	Closed	-
	Dhrol	Mill Quality Loose	1775	NR	-
	Surat	Mill Delivery	1840	1820	20
M.P.	Bhopal	Mill Quality Loose	1750	1725	25
	Indore	Mill Delivery	1840	1810	30
Rajasthan	Kota	Mill Quality Loose	1700	1680	20
		Mill Delivery	1765	1750	15
U.P.	Kanpur	Mill Delivery	NR	NR	-
	Mathura	Mill Quality Loose	1655	1655	Unch
	Kosi	Mill Quality Loose	1650	1636	14
	Hathras	Mill Quality Loose	1655	1660	-5
	Aligarh	Mill Quality Loose	1665	1650	15
Punjab	Khanna	Mill Quality Loose	1640	1640	Unch
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1670	1665	5
	Hodal	Mill Delivery	1760	1760	Unch
	Karnal	Mill Delivery	1700	1680	20
	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2070	2050	20
	Madurai	Mill Quality	2127	2107	20
	Coimbatore	Mill Quality	2127	2107	20
Bihar	Muzaffarpur	Mill Delivery	1650	1650	Unch

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Jun-16	16-Jun-16	
Gujarat					
	Rajkot	Lokwan	2000	Closed	-
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1850	1900	-50
	Bina	Sarbati 306	NR	2700	-
Rajasthan	Kota	LokwanBilty	1865	1850	15
	Baran	Lokwan	1800	1750	50

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Jun-16	16-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	9000	7000	2000
	Narella	Mill Quality Loose	1000	2000	-1000
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	1600	Closed	-
	Dhrol	Mill Quality Loose	45	NR	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	6000	7000	-1000
U.P.	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	350	400	-50
	Kosi	Mill Quality Loose	800	800	Unch
	Hathras	Mill Quality Loose	400	350	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	200	300	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1000	600	400
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			17-Jun-16	16-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: 16.6.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	477.50	479.50	471.00	472.50	-5.00
Sep-16	488.75	491.50	483.25	484.75	-4.75
Dec-16	510.00	511.25	503.00	504.25	-6.00
Mar-17	529.00	530.00	522.75	523.50	-6.75
May-17	542.50	542.50	535.00	535.50	-7.00
Jul-17	550.00	551.75	544.25	545.00	-7.00

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