

Wheat Domestic Fundamentals:

Wheat cash market continues to trade firm taking clue from firm futures and limited scope for import as import duty structure remains unchanged. There is a short supply of wheat against current demand. Arrivals have declined 60 to 70 % at this point of time. Millers have started eyeing on central pool stock that will be available for them from July. Offtake is expected to increase as millers would continue to buy for festive season, starting from July, demand. Under current scenario wheat price is unlikely to cool down.

All India average wheat price increased by 0.09 % from Rs1777.39 to Rs1779.13 per qtl. during the week ended 15th June-2016. Arrival continues to decrease and private buyers remain active above Rs 1730-Rs1735 per qtl. All India average price is higher by 5.84 % in comparison to price registered in June, 2015. In mid June, 2015 average price was registered at 1680.91 per qtl. Overall trend in cash market is expected to remain firm

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.

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.

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 25.4 MMT. 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 154 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 to trade firm with unchanged import duty structure..

Wheat Futures Contact: NCDEX Price							Date: 20.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-June	24	1775	1775	1772	1774	510	200	1380	-440
16-July	18	1776	1800	1776	1791	10480	-18050	33080	-2105
16-Aug	23	1792	1824	1792	1815	3180	4950	2320	1350

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-June	-4			
16-July		17		
16-Aug			24	

Stocks	Demat	In- Process	Total	FED
	18.June.16	18.June.16	18.June.16	13.June.16
Delhi	1635	0	1635	2134
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	19373	0	19373	19246
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 20.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jun-16	18-Jun-16	
Delhi	Lawrence Road	Mill Delivery	1820	1815	5
	Narella	Mill Quality Loose	1750	1735	15
	Nazafgarh	Mill Quality Loose	1745	1740	5
Gujarat	Rajkot	Mill Delivery	1850	1825	25
	Ahmedabad	Mill Delivery	1910	1860	50
	Dhrol	Mill Quality Loose	NR	NR	-
	Surat	Mill Delivery	1930	1910	20
M.P.	Bhopal	Mill Quality Loose	1750	1750	Unch
	Indore	Mill Delivery	1830	1840	-10
Rajasthan	Kota	Mill Quality Loose	1715	1720	-5
		Mill Delivery	1770	1800	-30
U.P.	Kanpur	Mill Delivery	1625	NR	-
	Mathura	Mill Quality Loose	1665	1655	10
	Kosi	Mill Quality Loose	1675	1670	5
	Hathras	Mill Quality Loose	1660	1660	Unch
	Aligarh	Mill Quality Loose	1670	1650	20
Punjab	Khanna	Mill Quality Loose	1620	NR	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1680	1680	Unch
	Hodal	Mill Delivery	1750	1760	-10
	Karnal	Mill Delivery	1700	1700	Unch
	Bhiwani	Mill Quality Loose	1740	1700	40
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Muzaffarpur	Mill Delivery	1650	1660	-10

	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
			20-Jun-16	18-Jun-16	
Gujarat					
	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1850	50
	Bina	Sarbati 306	2600	NR	-
Rajasthan	Kota	LokwanBilty	1850	1875	-25
	Baran	Lokwan	1800	1800	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Jun-16	18-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	10000	7000	3000
	Narella	Mill Quality Loose	500	1100	-600
	Nazafgarh	Mill Quality Loose	300	100	200
Gujarat	Rajkot	Mill Quality Loose	1500	1300	200
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	3000	2000	1000
Rajasthan	Kota	Mill Quality	5000	6000	-1000
U.P.	Kanpur	Mill Quality Loose	12000	NR	-
	Mathura	Mill Quality Loose	1000	500	500
	Kosi	Mill Quality Loose	1000	800	200
	Hathras	Mill Quality Loose	450	450	Unch
	Aligarh	Mill Quality Loose	1000	1000	Unch
Punjab	Khanna	Mill Quality Loose	300	NR	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	200	100	100
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2000	1500	500
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			20-Jun-16	18-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: 17.6.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	473.75	482.50	472.50	481.25	8.75
Sep-16	486.25	495.75	485.00	494.75	10.0
Dec-16	505.50	513.75	504.25	513.00	8.75
Mar-17	524.00	531.75	523.00	531.25	7.75
May-17	536.75	543.00	534.50	542.75	7.25
Jul-17	548.00	552.50	543.00	552.00	7.00

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