

Wheat Domestic Fundamentals:

India exported 1057.02 T wheat during week ending 19th June-2016. Average FoB price was registered at \$384.37 per tonne. The highest and lowest quote was registered at \$633.33.04 & \$170.85 per T. India had exported 875 T wheat previous week. Export volume would remain negligible as parity is not in favor of India.

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.

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: 21.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-July	-9	1822	1823	1790	1778	8430	-4050	31930	-2105
16-Aug	-12	1849	1851	1829	1805	4350	4950	5820	1350
16-Sep	-12	1849	1851	1829	1833	850	4950	1570	1350

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-July	8			
16-Aug		28		
16-Sep			28	

Stocks	Demat	In- Process	Total	FED
	20.June.16	20.June.16	20.June.16	20.June.16
Delhi	1635	0	1635	1635
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	19373	0	19373	19373
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 21.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Jun-16	20-Jun-16	
Delhi	Lawrence Road	Mill Delivery	1825	1820	5
	Narella	Mill Quality Loose	1770	1750	20
	Nazafgarh	Mill Quality Loose	1750	1745	5
Gujarat	Rajkot	Mill Delivery	1845	1850	-5
	Ahmedabad	Mill Delivery	1900	1910	-10
	Dhrol	Mill Quality Loose	2020	NR	-
	Surat	Mill Delivery	1920	1930	-10
M.P.	Bhopal	Mill Quality Loose	1750	1750	Unch
	Indore	Mill Delivery	1875	1830	45
Rajasthan	Kota	Mill Quality Loose	1715	1715	Unch
		Mill Delivery	1770	1770	Unch
U.P.	Kanpur	Mill Delivery	NR	1625	-
	Mathura	Mill Quality Loose	1660	1665	-5
	Kosi	Mill Quality Loose	1675	1675	Unch
	Hathras	Mill Quality Loose	1650	1660	-10
	Aligarh	Mill Quality Loose	1670	1670	Unch
Punjab	Khanna	Mill Quality Loose	1610	1620	-10
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1685	1680	5
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1700	1700	Unch
	Bhiwani	Mill Quality Loose	1725	1740	-15
	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	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
			21-Jun-16	20-Jun-16	
Gujarat					
	Rajkot	Lokwan	2000	2050	-50
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2700	2600	100
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1800	1800	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Jun-16	20-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	10000	10000	Unch
	Narella	Mill Quality Loose	800	500	300
	Nazafgarh	Mill Quality Loose	100	300	-200
Gujarat	Rajkot	Mill Quality Loose	1000	1500	-500
	Dhrol	Mill Quality Loose	27	NR	-
M.P.	Indore	Mill Quality Loose	1500	3000	-1500
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	NR	12000	-
	Mathura	Mill Quality Loose	500	1000	-500
	Kosi	Mill Quality Loose	600	1000	-400
	Hathras	Mill Quality Loose	40	450	-410
	Aligarh	Mill Quality Loose	1200	1000	200
Punjab	Khanna	Mill Quality Loose	400	300	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	800	2000	-1200
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			21-Jun-16	20-Jun-16	Change
Atta (50kg) Ordinary			975	975	Unch
Maida Grade 1 (50KG)			1315	1290	25
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: 20.6.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	480.50	480.75	472.25	473.00	-8.25
Sep-16	494.50	495.00	486.50	487.50	-7.25
Dec-16	513.00	513.00	506.50	507.50	-5.50
Mar-17	528.50	532.00	526.50	527.25	-4.00
May-17	540.50	544.25	538.75	539.25	-3.50
Jul-17	547.00	552.50	546.50	547.25	-4.75

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