

Wheat Domestic Fundamentals:

Cash wheat market is expected to trade firm despite some downward correction in futures contract. Lower arrivals, unchanged import duty structure and retention would continue to support cash market in the near to medium term. Some relief is expected with the commencement of auction from central pool stock from July at reserve price of Rs 1640 per qtl. Millers may turn to central pool stock to meet their festive season demand expected from mid July.

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.

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 Contract: NCDEX Price							Date: 22.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-July	-1	1774	1783	1766	1777	3670	-4550	32200	70
16-Aug	-1	1800	1808	1790	1805	1900	-950	3460	350
16-Sep	-00	1822	1836	1819	1835	590	285	1870	350

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

Stocks	Demat	In- Process	Total	FED
	21.June.16	21.June.16	21.June.16	20.June.16
Delhi	1635	0	1635	1635
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	19373	0	19422	19373
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 22.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			22-Jun-16	21-Jun-16	
	Lawrence Road	Mill Delivery	1820	1825	-5
	Narella	Mill Quality Loose	Closed	1770	-
	Nazafgarh	Mill Quality Loose	Closed	1750	-
Gujarat	Rajkot	Mill Delivery	1835	1845	-10
	Ahmedabad	Mill Delivery	1870	1900	-30
	Dhrol	Mill Quality Loose	1880	2020	-140
	Surat	Mill Delivery	1900	1920	-20
M.P.	Bhopal	Mill Quality Loose	1750	1750	Unch
	Indore	Mill Delivery	1900	1875	25
Rajasthan	Kota	Mill Quality Loose	1700	1715	-15
		Mill Delivery	1780	1770	10
U.P.	Kanpur	Mill Delivery	1700	NR	-
	Mathura	Mill Quality Loose	1665	1660	5
	Kosi	Mill Quality Loose	1670	1675	-5
	Hathras	Mill Quality Loose	NR	1650	-
	Aligarh	Mill Quality Loose	Closed	1670	-
Punjab	Khanna	Mill Quality Loose	1600	1610	-10
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1680	1685	-5
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1700	1700	Unch
	Bhiwani	Mill Quality Loose	1730	1725	5
	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
			22-Jun-16	21-Jun-16	
Gujarat					
	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	Closed	2700	-
Rajasthan	Kota	LokwanBilty	1900	1850	50
	Baran	Lokwan	1850	1800	50

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Jun-16	21-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	8000	10000	-2000
	Narella	Mill Quality Loose	Closed	800	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	900	1000	-100
	Dhrol	Mill Quality Loose	19	27	-8
M.P.	Indore	Mill Quality Loose	1000	1500	-500
Rajasthan	Kota	Mill Quality	6000	5000	1000
U.P.	Kanpur	Mill Quality Loose	11500	NR	-
	Mathura	Mill Quality Loose	600	500	100
	Kosi	Mill Quality Loose	800	600	200
	Hathras	Mill Quality Loose	NR	40	-
	Aligarh	Mill Quality Loose	Closed	1200	-
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	150	200	-50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	700	800	-100
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			22-Jun-16	21-Jun-16	Change
Atta (50kg) Ordinary			975	975	Unch
Maida Grade 1 (50KG)			1315	1315	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: 21.6.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	473.00	476.50	457.25	458.50	-14.50
Sep-16	487.50	490.50	471.25	472.50	-15.00
Dec-16	507.75	511.00	492.00	493.25	-14.25
Mar-17	527.75	531.00	512.25	513.25	-14.00
May-17	539.25	542.25	524.25	524.50	-14.75
Jul-17	547.00	550.50	532.25	532.25	-15.00

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