

Wheat Domestic Fundamentals:

Wheat cash market traded steady to weak on Saturday. Expected selling through auction in July from central pool stock has restricted uptrend to some extent. However, it may be considered as corrective phase. Overall sentiment remains firm. Fresh buying interest might be seen from mid July as festive demand for wheat products would start from end July.

Reserve price for bulk sale is Rs 1640 per qtl. and for dedicated movement sale reserve price will be calculated after adding handling and transportation charges from FCI depot to loading in Railway Rake. Weekly auction will begin from 4th July-2016 in MP region. Sale would be conducted (As is where is basis). Detailed tender form will be uploaded on every Monday on FCI website. For more information interested parties may log on to <http://fciweb.nic.in/>

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 trade steady to slightly weak.

Wheat Futures Contact: NCDEX Price							Date: 24.06.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-July	-17	1763	1774	1748	1754	3970	-4750	27350	-1070
16-Aug	-22	1796	1805	1777	1780	3710	-2440	12250	1350
16-Sep	-20	1823	1823	1805	1815	210	-50	2110	130

Spread	Jun-16	July-16	Aug-16	
Spot Narella				
16-July	29			
16-Aug		26		
16-Sep			35	

Stocks	Demat	In- Process	Total	FED
	24.June.16	24.June.16	24.June.16	20.June.16
Delhi	1635	0	1635	1635
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17208	49	17257	19373
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 25.06.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jun-16	24-Jun-16	
Delhi	Lawrence Road	Mill Delivery	1795	1805	-10
	Narella	Mill Quality Loose	1715	1725	-10
	Nazafgarh	Mill Quality Loose	1720	1710	10
Gujarat	Rajkot	Mill Delivery	1780	1775	5
	Ahmedabad	Mill Delivery	1830	1830	Unch
	Dhrol	Mill Quality Loose	1855	2080	-225
	Surat	Mill Delivery	1860	1880	-20
M.P.	Bhopal	Mill Quality Loose	1725	1750	-25
	Indore	Mill Delivery	1875	1875	Unch
Rajasthan	Kota	Mill Quality Loose	1685	1730	-45
		Mill Delivery	1770	1780	-10
U.P.	Kanpur	Mill Delivery	NR	1660	-
	Mathura	Mill Quality Loose	1665	1665	Unch
	Kosi	Mill Quality Loose	1660	1660	Unch
	Hathras	Mill Quality Loose	1640	1655	-15
	Aligarh	Mill Quality Loose	1650	1660	-10
Punjab	Khanna	Mill Quality Loose	1620	1600	20
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1675	1675	Unch
	Hodal	Mill Delivery	1750	1750	Unch
	Karnal	Mill Delivery	1680	1710	-30
	Bhiwani	Mill Quality Loose	1690	1750	-60
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2075	2100	-25
	Madurai	Mill Quality	2132	2157	-25
	Coimbatore	Mill Quality	2132	2157	-25
Bihar	Muzaffarpur	Mill Delivery	1670	1670	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
			25-Jun-16	24-Jun-16	
Gujarat					
	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1850	50
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	LokwanBilty	1850	1900	-50
	Baran	Lokwan	1850	1850	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Jun-16	24-Jun-16	
Delhi					
	Lawrence Road	Mill Delivery	14000	8000	6000
	Narella	Mill Quality Loose	1000	1500	-500
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1000	1000	Unch
	Dhrol	Mill Quality Loose	28	48	-20
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	3000	5000	-2000
U.P.	Kanpur	Mill Quality Loose	NR	9500	-
	Mathura	Mill Quality Loose	400	500	-100
	Kosi	Mill Quality Loose	800	800	Unch
	Hathras	Mill Quality Loose	500	400	100
	Aligarh	Mill Quality Loose	1000	1000	Unch
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1000	2000	-1000
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			25-Jun-16	24-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: 24.6.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	454.50	456.00	441.75	454.75	0.50
Sep-16	465.50	466.25	453.25	465.00	-0.75
Dec-16	485.00	486.25	473.25	484.75	-1.50
Mar-17	505.50	505.50	493.25	502.75	-2.00
May-17	513.00	513.50	505.00	513.00	-2.25
Jul-17	522.00	522.00	513.25	520.75	-2.75

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