

Wheat Domestic Fundamentals:

All India average wheat price stayed almost steady to Rs1767.51 per qtl. during the week ended 2nd July-2016. Arrival continues to decrease and private buyers remain active above Rs 1730-Rs1760 per qtl. All India average price is higher by 6.54 % in comparison to price registered in June end, 2015. In the fourth week of June, 2015 average price was registered at 1658.94 per qtl. Overall trend in cash market is expected to remain steady to slightly firm as lower production this year has changed inner tone. Unchanged import duty structure may continue to encourage price in cash market. Release from central pool through auction for bulk buyers may ease supply side.

Despite lower crop size and procurement ample wheat is available in central pool. Wheat stock in central pool in the beginning of June was registered at 326.4 lakh tonne. The actual annual requirement under NFSA(National Food Security act) is 240 lakh tonne. This shows that govt has ample stock to take care of any emerging demand from domestic market, various welfare schemes and OMSS(open market sales schemes).

As per normal stock norms, India need 245 lakh tonne wheat as on 1st July as operational stock while 30 lakh tonne as strategic reserve. So, total requirements bring it to 275 lakh tonne. Against this total availability is around 326 lakh tonne, higher by 51 lakh tonne. So there is no panic at supply front and govt is able to release stock as per market needs as and when it requires.

Besides ,import option remains open and in extreme case govt. can revise import duty if prices of wheat get firmer in major consuming markets located in south India. Overall wheat market scenario seems stable to slightly firm. Likely good rainfall may ensure better sowing in rabi season. International market too remains under pressure. So any spike in domestic wheat market is unlikely.

Demand for wheat products would increase with the start of festive season from mid July and it may restrict downward correction. Govt .is intended to release wheat at regular intervals to ensure supply in second and third quarters. sale through auction would continue. Agriwatch expects balanced supply-demand side in coming weeks. However, premium quality like Lok-1, Tukra, Sharbati may continue to trade bullish.

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 2541.75 T wheat during week ending 19 th June-2016. Average FoB price was registered at \$281.48 per tonne. The lowest and highest quote was registered at \$259.98 & 344.29 per T. India had exported 1057.02 T wheat previous week. Export volume would remain negligible as parity is not in favor of India.

First shipment from France/Australia 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 Kandla port, comes to \$ 275/276 per metric tonne. In INR term is Rs 18500 per tonne.

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.

Australia's largest wheat export market Southeast Asia is seeing robust demand growth. In the next five years, Australia's wheat market share will shrink from around 49% to 37% whereas the market share of black sea region is expected to increase from around 8% to 18%. Currently wheat from black sea region is cheaper by \$20 to \$30 compared to Australian wheat to any major port in Southeast Asia.

Domestic market Outlook: Wheat cash market is likely trade range bound.

Wheat Futures Contact: NCDEX Price							Date: 01.07.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-July	8	1765	1775	1760	1772	5260	-825	17720	-3260
16-Aug	9	1795	1805	1791	1802	6410	2120	22931	2270
16-Sep	8	1827	1832	1826	1832	170	-80	1980	-60

Spread	July-16	Aug-16	Sep-16	
Spot Narella				
16-July	52			
16-Aug		30		
16-Sep			30	

Stocks	Demat	In- Process	Total	FED
	01.July.16	01.July.16	01.July.16	27.June.16
Delhi	1635	0	1635	1635
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17257	0	17257	17257
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 02.07.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Jul-16	1-Jul-16	
Delhi	Lawrence Road	Mill Delivery	1800	1805	-5
	Narella	Mill Quality Loose	1715	1720	-5
	Nazafgarh	Mill Quality Loose	1720	1725	-5
Gujarat	Rajkot	Mill Delivery	1835	1810	25
	Ahmedabad	Mill Delivery	1880	1880	Unch
	Dhrol	Mill Quality Loose	1900	1905	-5
	Surat	Mill Delivery	1920	1910	10
M.P.	Bhopal	Mill Quality Loose	1700	1725	-25
	Indore	Mill Delivery	1880	1880	Unch
Rajasthan	Kota	Mill Quality Loose	1700	1700	Unch
		Mill Delivery	1800	1780	20
U.P.	Kanpur	Mill Delivery	1625	1650	-25
	Mathura	Mill Quality Loose	1640	1650	-10
	Kosi	Mill Quality Loose	1640	1640	Unch
	Hathras	Mill Quality Loose	1630	1630	Unch
	Aligarh	Mill Quality Loose	1640	1640	Unch
Punjab	Khanna	Mill Quality Loose	NA	1650	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1680	1675	5
	Hodal	Mill Delivery	1770	1770	Unch
	Karnal	Mill Delivery	1685	1680	5
	Bhiwani	Mill Quality Loose	1700	1680	20
	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	1670	1670	Unch
	Khagariya	Mill Delivery	1750	1750	Unch

FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			2-Jul-16	1-Jul-16	
	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1800	1800	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			2-Jul-16	1-Jul-16	
	Lawrence Road	Mill Delivery	12000	8000	4000
	Narella	Mill Quality Loose	700	400	300
	Nazafgarh	Mill Quality Loose	300	100	200
Gujarat	Rajkot	Mill Quality Loose	1000	1200	-200
	Dhrol	Mill Quality Loose	14	8	6
M.P.	Indore	Mill Quality Loose	2500	3000	-500
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	9000	9000	Unch
	Mathura	Mill Quality Loose	60	200	-140
	Kosi	Mill Quality Loose	400	500	-100
	Hathras	Mill Quality Loose	500	500	Unch
	Aligarh	Mill Quality Loose	250	500	-250
Punjab	Khanna	Mill Quality Loose	NA	200	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	100	50	50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	600	1000	-400
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			2-Jul-16	1-Jul-16	Change
Atta (50kg) Ordinary			975	975	Unch
Maida Grade 1 (50KG)			1315	1315	Unch
Suji (50kg)			1365	1365	Unch
Chokar (50 kg)			649	735	-85

Chokar (34 kg)	432	490	-58
Chakki Atta (50kg)	1000	1000	Unch
Chakki Atta (50kg) Special	1050	1050	Unch
Chakki Atta (90kg) Superfine	1922	1922	Unch
Chakki Atta (50kg) Superfine	1060	1060	Unch

Wheat (CBOT) Future Price: 01.7.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	430.25	431.00	414.25	416.25	-15.00
Sep-16	445.75	446.00	428.00	430.25	-15.25
Dec-16	465.25	465.50	448.00	450.75	-14.75
Mar-17	483.00	483.00	466.00	468.75	-14.50
May-17	493.50	493.50	477.50	480.25	-13.50
Jul-17	502.00	502.00	486.00	488.50	-13.50

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