

## Wheat Domestic Fundamentals:

**Cash wheat market decreases on the back of wheat release started through auction and govt's intention to augment supply in the open market.** Private trades to have started releasing restricted quantity as govt has close eye on market developments. Range bound movement is expected to continue in the short term. Overall outlook remains firm as millers would start fresh buying to fulfill their festive needs, starting from July end.

**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 4<sup>th</sup> 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:

**IGC has revised wheat production projection up by 7MMT from 722 to 729 MMT in 1st, July-2016 for crop year 2016-17.** According to IGC global wheat production for 2016-17 may touch 729 MMT against 736 forecast for 2015-16. The difference is around 7 MMT from previous year.

**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: 04.07.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-July	-21	1768	1768	1752	1752	3070	-2120	16750	-1380
16-Aug	-26	1796	1797	1777	1877	5390	-1125	23210	170
16-Sep	-19	1821	1821	1808	1809	500	180	2330	260

Spread	July-16	Aug-16	Sep-16	
<b>Spot Narella</b>				
<b>16-July</b>	52			
<b>16-Aug</b>		27		
<b>16-Sep</b>			32	

Stocks	Demat	In- Process	Total	FED
	<b>02.July.16</b>	<b>02.July.16</b>	<b>02.July.16</b>	<b>27.June.16</b>
<b>Delhi</b>	1635	0	1635	1635
<b>Itarsi</b>	-	-	-	-
<b>Kanpur</b>	-	-	-	-
<b>Kota</b>	17257	10	17267	17257
<b>Rajkot</b>	-	-	-	-

**Wheat Daily Prices and Arrivals on 04.07.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			<b>04-Jul-16</b>	<b>02-Jul-16</b>	
<b>Delhi</b>	Lawrence Road	Mill Delivery	1790	1800	<b>-10</b>
	Narella	Mill Quality Loose	1700	1715	<b>-15</b>
	Nazafgarh	Mill Quality Loose	1710	1720	<b>-10</b>
<b>Gujarat</b>	Rajkot	Mill Delivery	1850	1835	<b>15</b>
	Ahmedabad	Mill Delivery	1890	1880	<b>10</b>
	Dhrol	Mill Quality Loose	1910	1900	<b>10</b>
	Surat	Mill Delivery	1935	1920	<b>15</b>
<b>M.P.</b>	Bhopal	Mill Quality Loose	Closed	1700	-
	Indore	Mill Delivery	Closed	1880	-
<b>Rajasthan</b>	Kota	Mill Quality Loose	Closed	1700	-
		Mill Delivery	Closed	1800	-
<b>U.P.</b>	Kanpur	Mill Delivery	1640	1625	<b>15</b>
	Mathura	Mill Quality Loose	1650	1640	<b>10</b>
	Kosi	Mill Quality Loose	1640	1640	<b>Unch</b>
	Hathras	Mill Quality Loose	1621	1630	<b>-9</b>
	Aligarh	Mill Quality Loose	1650	1640	<b>10</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	1610	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	1670	1680	<b>-10</b>
	Hodal	Mill Delivery	1770	1770	<b>Unch</b>
	Karnal	Mill Delivery	1680	1685	<b>-5</b>
	Bhiwani	Mill Quality Loose	1670	1700	<b>-30</b>
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	NA	2100	-
	Madurai	Mill Quality	NA	2157	-
	Coimbatore	Mill Quality	NA	2157	-
<b>Bihar</b>	Muzaffarpur	Mill Delivery	1670	1670	<b>Unch</b>
	Khagariya	Mill Delivery	1700	1750	<b>-50</b>

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			4-Jul-16	2-Jul-16	
	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	Closed	2200	-
	Bhopal	Lokwan	Closed	1900	-
	Bina	Sarbati 306	Closed	2500	-
Rajasthan	Kota	LokwanBilty	Closed	1850	-
	Baran	Lokwan	1825	1800	25

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			4-Jul-16	2-Jul-16	
	Lawrence Road	Mill Delivery	10000	12000	-2000
	Narella	Mill Quality Loose	300	700	-400
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	95	14	81
M.P.	Indore	Mill Quality Loose	Closed	2500	-
Rajasthan	Kota	Mill Quality	Closed	2500	-
U.P.	Kanpur	Mill Quality Loose	8500	9000	-500
	Mathura	Mill Quality Loose	250	60	190
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	1000	500	500
	Aligarh	Mill Quality Loose	60	250	-190
Punjab	Khanna	Mill Quality Loose	200	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	100	-50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	600	600	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			4-Jul-16	2-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	649	Unch

Chokar (34 kg)	432	432	Unch
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
<b>Jul-16</b>	430.25	431.00	414.25	416.25	<b>-15.00</b>
<b>Sep-16</b>	445.75	446.00	428.00	430.25	<b>-15.25</b>
<b>Dec-16</b>	465.25	465.50	448.00	450.75	<b>-14.75</b>
<b>Mar-17</b>	483.00	483.00	466.00	468.75	<b>-14.50</b>
<b>May-17</b>	493.50	493.50	477.50	480.25	<b>-13.50</b>
<b>Jul-17</b>	502.00	502.00	486.00	488.50	<b>-13.50</b>

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