

Wheat Domestic Fundamentals:

Adequate supply side and weak demand from local millers helped futures trading down amid profit booking by major stake holders. Futures is likely to trade up once again as demand for wheat products would increase in coming weeks ahead of festive season. Prices of wheat would recover from current level as supply from central pool stock would not cater the requirements of all mills.

Agriwatch expects steady to firm trend in wheat market in second and third quarter despite continuous release from central pool stock. Supply from stockiest and farmers has decreased considerably and dependence on govt. stock would increase in the weeks ahead.

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 19th 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: 05.07.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-July	-2	1751	1759	1751	1752	3420	-1825	15350	-2260
16-Aug	0	1779	1788	1779	1781	3730	-1320	24400	1270
16-Sep	-2	1811	1816	1809	1809	330	280	2250	-1260

Spread	July-16	Aug-16	Sep-16	
Spot Narella				
16-July	52			
16-Aug		29		
16-Sep			28	

Stocks	Demat	In- Process	Total	FED
	04.July.16	04.July.16	04.July.16	04.July.16
Delhi	1635	0	1635	1635
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17257	10	17267	17257
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 05.07.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jul-16	04-Jul-16	
Delhi	Lawrence Road	Mill Delivery	1790	1790	Unch
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1700	1710	-10
Gujarat	Rajkot	Mill Delivery	1840	1850	-10
	Ahmedabad	Mill Delivery	1880	1890	-10
	Dhrol	Mill Quality Loose	NR	1910	-
	Surat	Mill Delivery	1930	1935	-5
M.P.	Bhopal	Mill Quality Loose	1700	Closed	-
	Indore	Mill Delivery	1840	Closed	-
Rajasthan	Kota	Mill Quality Loose	1700	Closed	-
		Mill Delivery	1800	Closed	-
U.P.	Kanpur	Mill Delivery	1600	1640	-40
	Mathura	Mill Quality Loose	1640	1650	-10
	Kosi	Mill Quality Loose	1625	1640	-15
	Hathras	Mill Quality Loose	1625	1621	4
	Aligarh	Mill Quality Loose	1650	1650	Unch
Punjab	Khanna	Mill Quality Loose	1650	1610	40
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1670	1670	Unch
	Hodal	Mill Delivery	1770	1770	Unch
	Karnal	Mill Delivery	1680	1680	Unch
	Bhiwani	Mill Quality Loose	1670	1670	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2100	NA	-
	Madurai	Mill Quality	2157	NA	-
	Coimbatore	Mill Quality	2157	NA	-
Bihar	Muzaffarpur	Mill Delivery	1670	1670	Unch
	Khagariya	Mill Delivery	1750	1700	50

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Gujarat			5-Jul-16	4-Jul-16	
	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	Closed	-
	Bhopal	Lokwan	1850	Closed	-
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	LokwanBilty	1850	Closed	-
	Baran	Lokwan	1825	1825	Unch

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			5-Jul-16	4-Jul-16	
	Lawrence Road	Mill Delivery	7000	10000	-3000
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	800	800	Unch
	Dhrol	Mill Quality Loose	NR	95	-
M.P.	Indore	Mill Quality Loose	1500	Closed	-
Rajasthan	Kota	Mill Quality	3000	Closed	-
U.P.	Kanpur	Mill Quality Loose	1000	8500	-7500
	Mathura	Mill Quality Loose	300	250	50
	Kosi	Mill Quality Loose	600	500	100
	Hathras	Mill Quality Loose	300	1000	-700
	Aligarh	Mill Quality Loose	100	60	40
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	50	50	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	700	600	100
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			5-Jul-16	4-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: 04.7.2016					
Contract Month	Open	High	Low	Close	Change
Jul-16	430.3	431.0	414.3	416.25	-15.00
Sep-16	445.8	446.0	428.0	430.25	-15.25
Dec-16	465.3	465.5	448.0	450.75	-14.75
Mar-17	483.0	483.0	466.0	468.75	-14.50
May-17	493.5	493.5	477.5	480.25	-13.50
Jul-17	502.0	502.0	486.0	488.50	-13.50

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2016 Indian Agribusiness Systems Pvt Ltd.