

Wheat Domestic Fundamentals:

At supply –demand front cash market seems stable right now as futures eased considerably after considerable firmness on the back of unchanged import duty structure and continuous buying by private traders. Besides, release through OMSS and intention to release more from central pool stock has eased pressure on market for the time being. However, likely festive demand for wheat products would encourage local millers to buy more for their festive requirements. So, cash market may move up once again.

India exported 559.85 T wheat during week ending 3rd July-2016. Average FoB price was registered at \$335.65 per tonne. The lowest and highest quote was registered at \$595.03 & 263 per T. India had exported 2541.75T wheat previous week. Export volume would remain negligible as parity is not in favor of India.

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/>

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:

With Weak global market and commencement of harvesting in Russia further pressurized Russian wheat export price last week. Expectation of record crop and higher wheat area coverage estimate in US has pulled wheat prices down world over. CBOT touched 9 year's low level. Russian wheat export price having 12.5 percent protein content was quoted at \$172/174 a tonne on a free-on-board (FOB) basis for black sea region, down by \$4 from a week earlier. Production of wheat in Russia may touch 64MMT, highest after 2008.

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 25.4MMT. 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.

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

Wheat Futures Contact: NCDEX Price							Date: 08.07.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-July	3	1721	1732	1708	1726	5000	2,230	10770	-3,310
16-Aug	5	1748	1761	1736	1758	9010	4,150	27200	2,360
16-Sep	-10	1775	1790	1764	1788	2900	2,070	3370	1,010

Spread	July-16	Aug-16	Sep-16	
Spot Narella				
16-July	31			
16-Aug		32		
16-Sep			30	

Stocks	Demat	In- Process	Total	FED
	07.July.16	07.July.16	07.July.16	04.July.16
Delhi	1635	0	1635	1635
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17257	10	17267	17257
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 08.07.2016

Wheat Prices at Key Spot Markets:					
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Jul-16	7-Jul-16	
Delhi	Lawrence Road	Mill Delivery	1785	1795	-10
	Narella	Mill Quality Loose	1695	1700	-5
	Nazafgarh	Mill Quality Loose	1700	1710	-10
Gujarat	Rajkot	Mill Delivery	1720	1720	Unch
	Ahmedabad	Mill Delivery	1830	1850	-20
	Surat	Mill Delivery	1880	1900	-20
	Dhrol	Mill Quality Loose	NR	1870	-
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1700	Closed	-
Rajasthan	Kota	Mill Quality Loose	1700	1680	20
		Mill Delivery	1780	1760	20
U.P.	Kanpur	Mill Delivery	1700	Closed	-
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1635	1635	Unch
	Hathras	Mill Quality Loose	1600	1625	-25
	Aligarh	Mill Quality Loose	1650	1650	Unch
Punjab	Khanna	Mill Quality Loose	1620	1620	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1670	Closed	-
	Hodal	Mill Delivery	1770	1770	Unch
	Bhiwani	Mill Quality Loose	1670	1670	Unch
	Karnal	Mill Delivery	1680	1680	Unch
	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	Khagariya	Mill Delivery	1650	1650	Unch
	Muzaffarpur	Mill Delivery	1675	1675	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Jul-16	7-Jul-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1800	Closed	-
	Bina	Sarbati 306	2200	NA	-
Rajasthan	Kota	LokwanBilty	1900	1900	Unch
	Baran	Lokwan	1800	1800	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Jul-16	7-Jul-16	
Delhi	Lawrence Road	Mill Delivery	5000	4000	1000
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	200	150	50
Gujarat	Rajkot	Mill Quality Loose	800	1200	-400
	Dhrol	Mill Quality Loose	NR	13	-
M.P.	Indore	Mill Quality Loose	2500	2000	500
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	10600	Closed	-
	Mathura	Mill Quality Loose	250	200	50
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	150	100	50
	Aligarh	Mill Quality Loose	3500	100	3400
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	Closed	-
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	500	1000	-500
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			8-Jul-16	7-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	1075	1075	Unch
Chakki Atta (90kg) Superfine	1942	1942	Unch
Chakki Atta (50kg) Superfine	1060	1060	Unch

Wheat (CBOT) Future Price: 07.7.2016

Contract Month	Open	High	Low	Close	Change
Jul-16	417.3	421.3	411.3	412.00	-3.75
Sep-16	428.5	438.8	424.3	425.50	-3.00
Dec-16	448.0	458.3	444.8	446.25	-1.75
Mar-17	465.3	475.0	462.8	464.00	-1.25
May-17	479.5	486.0	474.5	476.00	-1.00
Jul-17	488.3	495.3	483.5	485.00	-1.00

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