

Wheat Domestic Fundamentals:

Overall wheat cash markets traded steady to firm on Saturday.

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 64 MMT, highest after 2008.

IGC has revised wheat production projection up by 7 MMT 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.

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 |
|--------|------------|-------------|------------|------------|
| | 08.July.16 | 08.July.16 | 08.July.16 | 04.July.16 |
| Delhi | 1635 | 0 | 1635 | 1635 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 17257 | 49 | 17306 | 17257 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 08.07.2016

| Wheat Prices at Key Spot Markets: | | | | | |
|-----------------------------------|--------------------|---------------------|-----------------|----------|--------|
| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
| | | | 9-Jul-16 | 8-Jul-16 | |
| Delhi | Lawrence Road | Mill Delivery | 1780 | 1785 | -5 |
| | Narella | Mill Quality Loose | 1685 | 1695 | -10 |
| | Nazafgarh | Mill Quality Loose | 1700 | 1700 | Unch |
| Gujarat | Rajkot | Mill Delivery | NR | 1720 | - |
| | Ahmedabad | Mill Delivery | NR | 1830 | - |
| | Surat | Mill Delivery | NR | 1880 | - |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Delivery | 1750 | 1750 | Unch |
| | Bhopal | Mill Quality Loose | 1700 | 1700 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1775 | 1700 | 75 |
| | | Mill Delivery | 1780 | 1780 | Unch |
| U.P. | Kanpur | Mill Delivery | NR | 1700 | - |
| | Mathura | Mill Quality Loose | NR | 1630 | - |
| | Kosi | Mill Quality Loose | 1635 | 1635 | Unch |
| | Hathras | Mill Quality Loose | 1625 | 1600 | 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 | 1670 | Unch |
| | Hodal | Mill Delivery | 1770 | 1770 | Unch |
| | Bhiwani | Mill Quality Loose | 1680 | 1670 | 10 |
| | Karnal | Mill Delivery | 1660 | 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 | Khagariya | Mill Delivery | 1675 | 1650 | 25 |
| | Muzaffarpur | Mill Delivery | NR | 1675 | - |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NR | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NR | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|-------------|-----------------|----------|--------|
| | | | 9-Jul-16 | 8-Jul-16 | |
| Gujarat | Rajkot | Lokwan | NR | 2000 | - |
| M.P. | Indore | Lokwan | 2200 | 2200 | Unch |
| | Bhopal | Lokwan | 1800 | 1800 | Unch |
| | Bina | Sarbati 306 | 2200 | 2200 | Unch |
| Rajasthan | Kota | LokwanBilty | 1900 | 1900 | Unch |
| | Baran | Lokwan | NR | 1800 | - |

| Wheat Arrivals in Key Centers: | | | | | |
|--------------------------------|-------------------|--------------------|---------------------|----------|--------------|
| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
| | | | 9-Jul-16 | 8-Jul-16 | |
| Delhi | Lawrence Road | Mill Delivery | 7000 | 5000 | 2000 |
| | Narella | Mill Quality Loose | 200 | 200 | Unch |
| | Nazafgarh | Mill Quality Loose | 200 | 200 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | NR | 800 | - |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Quality Loose | 2500 | 2500 | Unch |
| Rajasthan | Kota | Mill Quality | 2000 | 2500 | -500 |
| U.P. | Kanpur | Mill Quality Loose | NR | 10600 | - |
| | Mathura | Mill Quality Loose | NR | 250 | - |
| | Kosi | Mill Quality Loose | 400 | 500 | -100 |
| | Hathras | Mill Quality Loose | 550 | 150 | 400 |
| | Aligarh | Mill Quality Loose | 100 | 3500 | -3400 |
| Punjab | Khanna | Mill Quality Loose | 325 | 200 | 125 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 200 | Unch |
| | Hodal | Mill Quality Loose | 100 | 100 | Unch |
| | Bhiwani | Mill Quality Loose | 800 | 500 | 300 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | | | 9-Jul-16 | 8-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: 08.7.2016 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| Jul-16 | 421.00 | 424.00 | 420.75 | 420.75 | 8.75 |
| Sep-16 | 425.50 | 439.50 | 423.50 | 435.00 | 9.50 |
| Dec-16 | 445.50 | 460.50 | 444.50 | 456.50 | 10.25 |
| Mar-17 | 464.00 | 478.00 | 464.00 | 474.50 | 10.50 |
| May-17 | 478.50 | 489.75 | 477.75 | 486.50 | 10.50 |
| Jul-17 | 487.75 | 497.50 | 487.50 | 494.75 | 9.75 |

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