

Wheat Domestic Fundamentals:

Wheat cash market is likely to trade mixed. Inner tone remains firm as supply mismatches normal demand. Current downward correction is a temporary phenomenon and market would soon recover despite continuous release from central pool stock. However, south Indian demand may decrease as global market is under pressure and import volume may increase in coming months despite applicable 25 % duty. The difference is getting wider between domestic and international market.

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.

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/>

International Market Update:

Flour Millers in Taiwan has purchased over one lakh tonne milling wheat from US through tender. Delivery is due in August and Sept-2016 in two consignments. First consignment would be of spring wheat having 14.5 percent protein content. It has been brought at \$231.25 per tonne on FoB basis. Second consignment of hard red winter wheat having 13 percent protein content has been brought at \$228.29 (FoB) per tonne while wheat having 9 percent protein content was purchased at \$203.11 per tonne. If we include freight of \$20.84 per tonne, cif comes to \$ 252, \$248 and 4224 per tonne respectively for Taiwan.

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.

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

| Wheat Futures Contact: NCDEX Price | | | | | | | Date: 11.07.2016 | | |
|------------------------------------|----------------------|------|------|------|-------|------|-----------------------|-------|-----------------------|
| Contract Month | Ch from previous day | Open | High | Low | Close | Vol. | Ch. From previous day | OI | Ch. From previous day |
| 16-July | -13 | 1725 | 1738 | 1714 | 1716 | 7580 | 2,530 | 5090 | -4,310 |
| 16-Aug | -12 | 1758 | 1768 | 1745 | 1746 | 9350 | 310 | 31860 | 4,360 |
| 16-Sep | -13 | 1787 | 1795 | 1775 | 1775 | 780 | -2110 | 3420 | 210 |

| Spread | July-16 | Aug-16 | Sep-16 | |
|--------------|---------|--------|--------|--|
| Spot Narella | | | | |
| 16-July | 26 | | | |
| 16-Aug | | 30 | | |
| 16-Sep | | | 31 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|------------|-------------|------------|------------|
| | 09.July.16 | 09.July.16 | 09.July.16 | 04.July.16 |
| Delhi | 1635 | 0 | 1635 | 1635 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 17257 | 49 | 17306 | 17257 |
| Rajkot | - | - | - | - |

| Wheat Prices at Key Spot Markets: | | | | | |
|-----------------------------------|--------------------|---------------------|-----------------|----------|--------|
| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
| | | | 11-Jul-16 | 9-Jul-16 | |
| Delhi | Lawrence Road | Mill Delivery | 1775 | 1780 | -5 |
| | Narella | Mill Quality Loose | 1690 | 1685 | 5 |
| | Nazafgarh | Mill Quality Loose | 1700 | 1700 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1715 | NR | - |
| | Ahmedabad | Mill Delivery | 1840 | NR | - |
| | Surat | Mill Delivery | 1880 | NR | - |
| | Dhrol | Mill Quality Loose | 1950 | NR | - |
| M.P. | Indore | Mill Delivery | 1750 | 1750 | Unch |
| | Bhopal | Mill Quality Loose | 1725 | 1700 | 25 |
| Rajasthan | Kota | Mill Quality Loose | 1715 | 1725 | -10 |
| | | Mill Delivery | 1770 | 1780 | -10 |
| U.P. | Kanpur | Mill Delivery | 1710 | NR | - |
| | Mathura | Mill Quality Loose | 1650 | NR | - |
| | Kosi | Mill Quality Loose | 1625 | 1635 | -10 |
| | Hathras | Mill Quality Loose | 1615 | 1625 | -10 |
| | Aligarh | Mill Quality Loose | 1650 | 1650 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1610 | 1620 | -10 |
| | 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 | 1680 | Unch |
| | Karnal | Mill Delivery | 1660 | 1660 | 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 | 1670 | 1675 | -5 |

| | | | | | |
|------------|-------------------------------|---------------|------|------|------------|
| | Muzaffarpur | Mill Delivery | 1660 | 1675 | -15 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|--------------|-----------------|----------|-------------|
| | | | 11-Jul-16 | 9-Jul-16 | |
| Gujarat | Rajkot | Lokwan | 2000 | NR | - |
| M.P. | Indore | Lokwan | 2100 | 2200 | -100 |
| | Bhopal | Lokwan | 1900 | 1800 | 100 |
| | Bina | Sarbati 306 | 2300 | 2200 | 100 |
| Rajasthan | Kota | Lokwan Bilty | 1900 | 1900 | Unch |
| | Baran | Lokwan | 1800 | NR | - |

| Wheat Arrivals in Key Centers: | | | | | |
|---------------------------------------|-------------------|--------------------|---------------------|----------|-------------|
| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
| | | | 11-Jul-16 | 9-Jul-16 | |
| Delhi | Lawrence Road | Mill Delivery | 8000 | 7000 | 1000 |
| | Narella | Mill Quality Loose | 200 | 200 | Unch |
| | Nazafgarh | Mill Quality Loose | 200 | 200 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 1200 | NR | - |
| | Dhrol | Mill Quality Loose | 35 | NR | - |
| M.P. | Indore | Mill Quality Loose | 2000 | 2500 | -500 |
| Rajasthan | Kota | Mill Quality | 3000 | 2000 | 1000 |
| U.P. | Kanpur | Mill Quality Loose | 10200 | NR | - |
| | Mathura | Mill Quality Loose | 100 | NR | - |
| | Kosi | Mill Quality Loose | 500 | 400 | 100 |
| | Hathras | Mill Quality Loose | 10 | 550 | -540 |
| | Aligarh | Mill Quality Loose | 50 | 100 | -50 |
| Punjab | Khanna | Mill Quality Loose | 300 | 325 | -25 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 300 | 200 | 100 |
| | Hodal | Mill Quality Loose | 100 | 100 | Unch |
| | Bhiwani | Mill Quality Loose | 500 | 800 | -300 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | | | 11-Jul-16 | 9-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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