

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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