

Wheat Domestic Fundamentals:

Wheat cash market trades weak on decreasing futures. Demand –supply side is balanced and likely higher release from central pool and beginning of import have impacted inner tonne in the cash market. Cash market may dip further from current level with good rainfall throughout the country.

Wheat import in India begins in month of July-2016. It is the first consignment that landed at Tuticorin port last week. The quantity in question is 11,000 T sourced from Ukraine at an average CiF of \$191.94 per tonne. If 25 % import duty is applied, the costing comes to 17500 per tonne. Freight and insurance cost is around \$30 per tonne. Two more vessels of higher quantity is expected this month from Ukraine.

Market sources say that two consignments from France are expected next month. As prices in domestic market rule higher, south Indian millers would continue to import. Over 1 million tonne import deals have already been struck so far. Beginning of import would decrease demand from south Indian millers and it will put pressure on wheat price in central and north India.

India exported 3466.31 tonne wheat during week ended 10th , July-2016. Major buyers were UAE, Nepal and Jordan contributing 3055.8, 154.28 & 100 tonne respectively in export basket. Wheat has been exported at an average FoB of \$331.65 per tonne. Malaysia, Somalia and Sri Lanka purchased 50, 48 & 42 tonne wheat during the week under review. Wheat export increased considerably last week from 559.85 to 3466.31 tonne.

All India average wheat price could not sustain its previous week high and decreased by 4.33 percent to Rs 1724.26 to during the week ended 9th July-2016... Wheat average price was ruling at Rs 1802.45 percent in the first week of July. Arrival continues to decrease and private buyers remain active above Rs 1725-Rs 1750 per qtl. All India average price is higher by 3.25 % in comparison to price registered in mid July, 2015. In mid July, 2015 average price was registered at 1669.84 per qtl.

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 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 to weak.

| Wheat Futures Contact: NCDEX Price | | | | | | | Date: 14.07.2016 | | |
|------------------------------------|----------------------|------|------|------|-------|------|-----------------------|-------|-----------------------|
| Contract Month | Ch from previous day | Open | High | Low | Close | Vol. | Ch. From previous day | OI | Ch. From previous day |
| 16-July | -3 | 1722 | 1722 | 1719 | 1719 | 50 | -140 | 1760 | -110 |
| 16-Aug | -3 | 1743 | 1750 | 1742 | 1743 | 550 | -1310 | 32680 | 450 |
| 16-Sep | 2 | 1772 | 1778 | 1770 | 1773 | 520 | -110 | 3550 | -190 |

| Spread | July-16 | Aug-16 | Sep-16 | |
|--------------|---------|--------|--------|--|
| Spot Narella | | | | |
| 16-July | -23 | | | |
| 16-Aug | | 27 | | |
| 16-Sep | | | 30 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|------------|-------------|------------|------------|
| | 13.July.16 | 13.July.16 | 13.July.16 | 11.July.16 |
| Delhi | 1635 | 0 | 1635 | 1635 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 17307 | 0 | 17307 | 17307 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 14.07.2016

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 14-Jul-16 | 13-Jul-16 | |
| Delhi | Lawrence Road | Mill Delivery | 1780 | 1780 | Unch |
| | Narella | Mill Quality Loose | 1695 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 1690 | Closed | - |
| Gujarat | Rajkot | Mill Delivery | 1735 | 1740 | -5 |
| | Ahmedabad | Mill Delivery | 1870 | 1880 | -10 |
| | Surat | Mill Delivery | 1900 | 1900 | Unch |
| | Dhrol | Mill Quality Loose | 1850 | 2080 | -230 |
| M.P. | Indore | Mill Delivery | 1750 | 1750 | Unch |
| | Bhopal | Mill Quality Loose | 1725 | 1750 | -25 |
| Rajasthan | Kota | Mill Quality Loose | 1715 | 1715 | Unch |
| | | Mill Delivery | 1770 | 1770 | Unch |
| U.P. | Kanpur | Mill Delivery | 1675 | 1675 | Unch |
| | Mathura | Mill Quality Loose | 1625 | 1630 | -5 |
| | Kosi | Mill Quality Loose | 1625 | 1625 | Unch |
| | Hathras | Mill Quality Loose | 1625 | 1625 | Unch |
| | Aligarh | Mill Quality Loose | 1650 | 1635 | 15 |
| Punjab | Khanna | Mill Quality Loose | 1610 | 1610 | Unch |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1660 | 1665 | -5 |
| | Hodal | Mill Delivery | 1770 | 1770 | Unch |
| | Bhiwani | Mill Quality Loose | 1700 | 1700 | Unch |
| | Karnal | Mill Delivery | 1670 | 1670 | 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 | 1700 | 1680 | 20 |
| | Muzaffarpur | Mill Delivery | 1675 | 1675 | Unch |

| | | | | | |
|-----|-------------------------------|--------------|----|----|---|
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|-----------|--------|
| | | | 14-Jul-16 | 13-Jul-16 | |
| Gujarat | Rajkot | Lokwan | 2000 | 2000 | Unch |
| M.P. | Indore | Lokwan | 2200 | 2200 | Unch |
| | Bhopal | Lokwan | 1900 | 1900 | Unch |
| | Bina | Sarbati 306 | 2300 | Closed | - |
| Rajasthan | Kota | LokwanBilty | 1900 | 1900 | Unch |
| | Baran | Lokwan | 1825 | 1825 | Unch |

| Wheat Arrivals in Key Centers: | | | | | |
|--------------------------------|-------------------|--------------------|---------------------|-----------|--------|
| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
| | | | 14-Jul-16 | 13-Jul-16 | |
| Delhi | Lawrence Road | Mill Delivery | 7000 | 6000 | 1000 |
| | Narella | Mill Quality Loose | 150 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 20 | Closed | - |
| Gujarat | Rajkot | Mill Quality Loose | 800 | 700 | 100 |
| | Dhrol | Mill Quality Loose | 34 | 19 | 15 |
| M.P. | Indore | Mill Quality Loose | 1500 | 1000 | 500 |
| Rajasthan | Kota | Mill Quality | 1500 | 1500 | Unch |
| U.P. | Kanpur | Mill Quality Loose | NR | NR | - |
| | Mathura | Mill Quality Loose | 300 | 250 | 50 |
| | Kosi | Mill Quality Loose | 400 | 500 | -100 |
| | Hathras | Mill Quality Loose | 100 | 150 | -50 |
| | Aligarh | Mill Quality Loose | 3000 | 300 | 2700 |
| Punjab | Khanna | Mill Quality Loose | 200 | 300 | -100 |
| | (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 | 1000 | -200 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | | | 14-Jul-16 | 13-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: 13.7.2016 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| Jul-16 | 430.00 | 434.00 | 426.25 | 426.25 | 2.25 |
| Sep-16 | 438.00 | 451.75 | 436.75 | 439.75 | 1.25 |
| Dec-16 | 460.00 | 473.75 | 458.75 | 463.00 | 2.00 |
| Mar-17 | 479.00 | 492.00 | 478.00 | 482.00 | 2.50 |
| May-17 | 491.25 | 503.50 | 491.25 | 494.00 | 2.75 |
| Jul-17 | 498.25 | 510.00 | 497.75 | 502.00 | 2.75 |

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