

### Wheat Domestic Fundamentals:

**Unchanged import duty structure would force south Indian millers to source** wheat from central and north India to some extent. However, weak global market due to ample availability in black sea region, US, Australia, France, Canada and Argentina has encouraged south Indian millers to continue import despite 25% import duty and regular release from central pool stock through auction. Wheat price in black sea region has decreased to \$165 per tonne. If millers add freight and insurance cost (around \$25 per tonne) it brings total landed costing at \$190 per tonne at Tuticorin port. With 25 percent duty total costing for millers come to Rs 15200 per tonne at their premises in Kerala. When they source it from domestic markets, total costing comes to Rs19000 per tonne. So, import is likely to continue.

**All India average wheat price recovers once again and increased by 1.62 percent to Rs 1801.05 per qtl.** during the week ended 23rd July-2016. Wheat average price was ruling at Rs 1772.26 per qtl in the second week of July. Arrival continues to decrease and private buyers remain active above Rs 1700-Rs1725 per qtl. All India average price is higher by 7.71 % in comparison to price (Rs 1672.11 per qtl.) registered in the third week of July, 2015.

**Wheat import continues from Ukraine in the second week of July. India imported 18495.575 tonne** wheat from Ukraine landed at Tuticorin port during the week ended 17th July-2016. It has been imported at \$191.94 per tonne on CiF basis. India had imported 11,000 tonne wheat in the first week of July from same origin at same price. More vessels are expected from Ukraine/France and Australia in August and September this year. Over one million tonne import deal has been finalized so far.

**Wheat export from India continues with limited quantity as parity is not in favor of India.** India exported 648.51 tonne wheat during week ended 17th July-2016 at an average FoB of \$339.42 per tonne. India had exported 3466.31 tonne wheat at an average price of \$339.42 per tonne. As prices in global market are very attractive opportunity for Indian exporters remains limited. There is no hope for any smart recovery at export front.

**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 4<sup>th</sup> 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:

**The U.S. Department of Agriculture earlier this month estimated 2016 global wheat production** at about 983 million tons, compared with consumption of 729.3 million tons. Because of increased use of wheat as livestock feed worldwide, however, the glut of wheat is being slowly diminished. With total use rising faster than supplies, world ending stocks are lowered 4.1 million tons to 253.7 million, but remain record large

**Black sea region wheat prices continue to reel under pressure due to incoming huge crop** in Russia, Ukraine and weak global market. There is a glut like condition in Argentina, Canada, US and Australia. All exporting countries have enough marketing surplus from last year's crop while new crop started hitting the market in black sea region and US. Actually, buyers are in bargaining seat and they have options to source wheat from many sources. Russian wheat prices have decreased to \$165 per tonne and pressure may continue in coming weeks.

**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.

**Domestic market Outlook:** Wheat cash market is likely to trade stable to firm.

Wheat Futures Contact: NCDEX Price							Date: 25.07.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Aug	1.00	1740.00	1743.00	1735.00	1740.00	180	-530	31060	110
16-Sep	2.00	1764.00	1766.00	1758.00	1766.00	40	-240	4440	40
16-Oct	0.00	00	-	-	-	-	-	-	-

Spread	Aug-16	Sep-16	Oct-16	
<b>Spot Narella</b>				
<b>16-Aug</b>	40			
<b>16-Sep</b>		26		
<b>16-Oct</b>			-	

Stocks	Demat	In- Process	Total	FED
	<b>23.July.16</b>	<b>23.July.16</b>	<b>23.July.16</b>	<b>18.July.16</b>
<b>Delhi</b>	911	0	911	1332
<b>Itarsi</b>	-	-	-	-
<b>Kanpur</b>	-	-	-	-
<b>Kota</b>	15056	0	15056	17307
<b>Rajkot</b>	-	-	-	-

**Wheat Daily Prices and Arrivals on 25.07.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jul-16	23-Jul-16	
<b>Delhi</b>	Lawrence Road	Mill Delivery	1765	1775	<b>-10</b>
	Narella	Mill Quality Loose	1700	1690	<b>10</b>
	Nazafgarh	Mill Quality Loose	1680	1675	<b>5</b>
<b>Gujarat</b>	Rajkot	Mill Delivery	1740	1735	<b>5</b>
	Ahmedabad	Mill Delivery	1880	1880	<b>Unch</b>
	Surat	Mill Delivery	1920	1910	<b>10</b>
	Dhrol	Mill Quality Loose	2000	1860	<b>140</b>
<b>M.P.</b>	Indore	Mill Delivery	1750	1750	<b>Unch</b>
	Bhopal	Mill Quality Loose	1725	1750	<b>-25</b>
<b>Rajasthan</b>	Kota	Mill Quality Loose	1690	1690	<b>Unch</b>
		Mill Delivery	1750	1750	<b>Unch</b>
<b>U.P.</b>	Kanpur	Mill Delivery	NR	NR	<b>-</b>
	Mathura	Mill Quality Loose	1610	1625	<b>-15</b>
	Kosi	Mill Quality Loose	1615	1610	<b>5</b>
	Hathras	Mill Quality Loose	1580	1585	<b>-5</b>
	Aligarh	Mill Quality Loose	1655	1650	<b>5</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	1610	1610	<b>Unch</b>
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	<b>-</b>
<b>Haryana</b>	Sirsa	Mill Delivery loose	1662	1660	<b>2</b>
	Hodal	Mill Delivery	1770	1770	<b>Unch</b>
	Bhiwani	Mill Quality Loose	1670	1680	<b>-10</b>
	Karnal	Mill Delivery	1660	1675	<b>-15</b>
	Panipat	Mill Quality Loose	NA	NA	<b>-</b>
<b>Tamil Nadu</b>	Chennai	Mill Quality	2100	2100	<b>Unch</b>
	Madurai	Mill Quality	2157	2157	<b>Unch</b>
	Coimbatore	Mill Quality	2157	2157	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1725	1700	<b>25</b>

	Muzaffarpur	Mill Delivery	1750	1750	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jul-16	23-Jul-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2100	2200	-100
	Bhopal	Lokwan	1850	1900	-50
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	LokwanBilty	NR	NR	-
	Baran	Lokwan	1825	NR	-

Wheat Arrivals in Key Centers:					
Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Jul-16	23-Jul-16	
Delhi	Lawrence Road	Mill Delivery	4000	6000	-2000
	Narella	Mill Quality Loose	300	200	100
	Nazafgarh	Mill Quality Loose	250	200	50
Gujarat	Rajkot	Mill Quality Loose	1000	700	300
	Dhrol	Mill Quality Loose	52	31	21
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	2000	5000	-3000
U.P.	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	400	250	150
	Kosi	Mill Quality Loose	400	500	-100
	Hathras	Mill Quality Loose	85	150	-65
	Aligarh	Mill Quality Loose	2500	3000	-500
Punjab	Khanna	Mill Quality Loose	300	200	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	600	400	200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			25-Jul-16	23-Jul-16	Change
Atta (50kg) Ordinary			975	975	Unch
Maida Grade 1 (50KG)			1315	1315	Unch
Suji (50kg)			1365	1365	Unch

Chokar (50 kg)	704	704	Unch
Chokar (34 kg)	478	478	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: 22.7.2016					
Contract Month	Open	High	Low	Close	Change
Sep-16	417.25	427.00	407.00	425.25	7.50
Dec-16	440.75	451.50	431.75	450.25	9.00
Mar-17	464.00	475.75	455.50	475.25	10.75
May-17	477.00	487.75	468.75	487.25	10.25
Jul-17	489.00	495.50	477.00	494.75	9.50
Sep-17	495.00	507.50	490.00	506.50	9.25

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