

Wheat Domestic Fundamentals:

Wheat import continues and a third consignment of 5000 thousand T landed on Tuticorin during week ended 24th ,July-2016. Wheat has been sourced from Ukraine at an average CiF of 191.94. This year total import registered at 34500 tonne in last three weeks from one country-Ukraine. Import is likely to continue as wheat price in Black sea region has decreased to \$160 per tonne.

India exported 463.88 tonne wheat during week ended 24th, July, 2016. It decreases by 28.46 % from previous week. Wheat has been exported at an average price of 354.94 per tonne. major chunk has been exported from Mundra port. major buyers were UAE, Malaysia and Sri Lanka. As there is no parity for exporters ,export volume would remain at negligible level in coming weeks too.

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 Rs 19000 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-Rs 1725 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.

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:

Ukraine is offering wheat at \$160 per tonne for wheat having 12.5 percent protein content. However, French wheat export price increased by 4.5 % to \$ 186 per tonne. Crop condition has worsened in France and production may decrease by 17 percent to 34 MMT this year. Fear of lower crop size has lent support to French wheat export price. Besides, production in Ukraine and EU is likely to decrease by 8.34 and 2.19 percent to 25 and 156.5 MMT respectively.

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

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.

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

Wheat Futures Contact: NCDEX Price							Date: 26.07.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Aug	-6.00	1731.00	1732.00	1723.00	1725.00	650	430	30610	-910
16-Sep	-3.00	175.00	1755.00	1749.00	1751.00	140	100	4580	140
16-Oct	-7.00	1781.00	1781.00	1778.00	1778.00	30	-	670	-

Spread	Aug-16	Sep-16	Oct-16	
Spot Narella				
16-Aug	50			
16-Sep		26		
16-Oct			27	

Stocks	Demat	In- Process	Total	FED
	25.July.16	25.July.16	25.July.16	25.July.16
Delhi	911	0	911	911
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15056	0	15056	15056
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 26.07.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jul-16	25-Jul-16	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1675	1700	-25
	Nazafgarh	Mill Quality Loose	1675	1680	-5
Gujarat	Rajkot	Mill Delivery	1735	1740	-5
	Ahmedabad	Mill Delivery	1880	1880	Unch
	Surat	Mill Delivery	1915	1920	-5
	Dhrol	Mill Quality Loose	2195	2000	195
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1700	1725	-25
Rajasthan	Kota	Mill Quality Loose	1660	1690	-30
		Mill Delivery	1750	1750	Unch
U.P.	Kanpur	Mill Delivery	1760	NR	-
	Mathura	Mill Quality Loose	1610	1610	Unch
	Kosi	Mill Quality Loose	1610	1615	-5
	Hathras	Mill Quality Loose	1560	1580	-20
	Aligarh	Mill Quality Loose	1600	1625	-25
Punjab	Khanna	Mill Quality Loose	1610	1610	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1662	1662	Unch
	Hodal	Mill Delivery	1770	1770	Unch
	Bhiwani	Mill Quality Loose	1680	1670	10
	Karnal	Mill Delivery	1660	1660	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2050	2100	-50
	Madurai	Mill Quality	2107	2157	-50
	Coimbatore	Mill Quality	2107	2157	-50
Bihar	Khagariya	Mill Delivery	1725	1725	Unch

	Muzaffarpur	Mill Delivery	1760	1750	10
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jul-16	25-Jul-16	
Gujarat	Rajkot	Lokwan	2025	2000	25
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1825	1850	-25
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	LokwanBilty	NA	NR	-
	Baran	Lokwan	1850	1825	25

Wheat Arrivals in Key Centers:					
Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Jul-16	25-Jul-16	
Delhi	Lawrence Road	Mill Delivery	4000	4000	Unch
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	200	250	-50
Gujarat	Rajkot	Mill Quality Loose	700	1000	-300
	Dhrol	Mill Quality Loose	28	52	-24
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	3000	2000	1000
U.P.	Kanpur	Mill Quality Loose	8600	NR	-
	Mathura	Mill Quality Loose	150	400	-250
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	NA	85	-
	Aligarh	Mill Quality Loose	250	300	-50
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	600	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			26-Jul-16	25-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: 25.7.2016					
Contract Month	Open	High	Low	Close	Change
Sep-16	425.75	435.25	421.00	429.00	3.75
Dec-16	450.75	459.50	447.25	456.25	6.00
Mar-17	475.00	483.75	472.75	483.50	8.25
May-17	488.00	495.75	484.75	495.75	8.50
Jul-17	496.25	503.00	492.75	502.75	8.00
Sep-17	506.50	514.75	505.00	514.50	8.00

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