

**Wheat Domestic Fundamentals:**

**Wheat cash and futures markets continued to trade firm on seasonal factors** and delayed sowing activities in major growing states during the week under review. Short supply of FAQ varieties and festive demand from local millers remains supportive to the cash market fundamentals. Wheat is being traded in the range of Rs 1580 to Rs 1665 per qtl., depending upon sourcing place and quality of the seed. Overall sentiment remains firm. Demand from south India continues. Rake loading is being reported at Rs 1780 to 1800 per qtl. from Kota to Bangalore.

**No fresh deal for import has been reported after the imposition of 25 percent duty on wheat.** Higher import duty has made import costly and import parity is almost over now. Notably, govt. had increased import duty from 10 percent to 25 percent in mid Sept to check the current flow of import. At current duty wheat costing at Cochin port from Australia, Russia and France may be around \$332.35, 297.49 and \$286.77 respectively per T. against this Indian wheat FoB is \$256 per T at Kandla Port.

**Wheat import during the week ending 25<sup>th</sup> Oct - was registered only 3000 tonne** at an average CiF quote of \$264.20 per tonne. As parity is not in favour of India, export volume is unlikely to increase in the coming weeks. Export volume was registered at 346.52 tonne during the same period at an average FoB of \$260.65 per tonne. Wheat has been imported from Australia and offloaded at Cochin port.

**Wheat stock in central pool was registered at 336.65 lakh tonne as on 16.09.2015.** Stock in transit was reported at around 3.46 lakh tonne while wheat lying in mandis was registered at 0.35 lakh tonne. As on first October India requires 175.20 lakh tonne as buffer stock and 30 lakh tonne as reserve stock. In Sept 2014 central pool stock was registered at 351.72 lakh tonne. It is 1.98 percent lower than the available stock in Sept, 2014.

**The CACP(Commission for Agricultural Costs and Prices) has recommended to hike wheat MSP by 5.17 percent** from Rs 1450 to Rs 1525 per qtl for wheat to be marketed in MY2016-17. In general Agriculture Ministry accepts CACP recommendation. However, ministry will prepare a cabinet note after taking suggestion from states and other ministries.

**Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released First Adv. Estimate for kharif crop for 2015-16 on 16th Sept, 2015.** Production target for wheat in Rabi has been set at 94.75 lakh tonne. In fourth adv. estimate it has revised wheat production estimate for 2014-15 to 90.78 lakh tonne. Notably, India has produced 95.85 million tonne wheat in 2013-14.

**International Market Update:**

**Australia's wheat crop may face quality problems as the country's eastern belt** are forecast to receive heavy rains this week, may damage the crop which is ready for harvest. Dry weather in September and above average temperatures this month have already curbed yields of high-protein prime hard wheat.

**IGC has revised wheat production estimate by 7 million tonne to 727 MMT on the basis of improved production prospects in Russian Ukraine, Australia and EU.** It might be a final production estimate for the year. Previously IGC had increased production estimate from 710 to 720 MMT.

**Russia has cut taxes on wheat sale for export and it has encouraged export volume last week.** Buyers are switching to Russia for wheat. Black Sea prices for Russian wheat with 12.5 percent protein content were up \$1 at \$198 per tonne on a free-on-board (FOB) basis. Russian wheat export in October may be around 21 MMT. Third grade wheat quote is hovering \$169.29 per T in the European parts of Russia.

**Domestic market Outlook:** Wheat cash market is likely trade steady.

| <b>Wheat Futures Contract: NCDEX Price</b> |                             |             |             |            |              |            | <b>Date: 30.10.2015</b>      |           |                              |
|--|-----------------------------|-------------|-------------|------------|--------------|------------|------------------------------|-----------|------------------------------|
| <b>Contract Month</b>                      | <b>Ch from previous day</b> | <b>Open</b> | <b>High</b> | <b>Low</b> | <b>Close</b> | <b>Vol</b> | <b>Ch. From previous day</b> | <b>OI</b> | <b>Ch. From previous day</b> |
| <b>15-Nov</b>                              | <b>0</b>                    | 1641        | 1651        | 1638       | 1637         | 1050       | 740                          | 6290      | 0                            |
| <b>15-Dec</b>                              | <b>0</b>                    | 1678        | 1680        | 1674       | 1674         | 50         | -48                          | 900       | -10                          |
| <b>16-Jan</b>                              | <b>0</b>                    |             |             |            |              |            |                              |           |                              |

| Spread             | Nov-15 | Dec-15 | Jan-16 | Feb-16 |
|--------------------|--------|--------|--------|--------|
| <b>Spot Narela</b> |        |        |        |        |
| <b>15-Nov</b>      | -17    |        |        |        |
| <b>15-Dec</b>      |        | 38     |        |        |
| <b>16-Jan</b>      |        |        | -      |        |

| Stocks        | Demat            | In- Process      | Total            | FED              |
|---------------|------------------|------------------|------------------|------------------|
|               | <b>30-Oct-15</b> | <b>30-Oct-15</b> | <b>30-Oct-15</b> | <b>26-Oct-15</b> |
| <b>Delhi</b>  |                  |                  |                  |                  |
| <b>Itarsi</b> | -                | -                | -                | -                |
| <b>Kanpur</b> | -                | -                | -                | -                |
| <b>Kota</b>   | 13786            | 0                | 13786            | 14057            |
| <b>Rajkot</b> | -                | -                | -                | -                |

**Wheat Daily Prices and Arrivals on 31.10.2015**

| Centre            | Market                 | Variety             | Prices (Rs/Qtl) |           | Change |
|-------------------|------------------------|---------------------|-----------------|-----------|--------|
|                   |                        |                     | 31-Oct-15       | 30-Oct-15 |        |
| <b>Delhi</b>      | Lawrence Road          | Mill Delivery       | 1690            | 1690      | Unch   |
|                   | Narella                | Mill Quality Loose  | 1650            | 1655      | -5     |
|                   | Nazafgarh              | Mill Quality Loose  | 1625            | 1630      | -5     |
| <b>Gujarat</b>    | Rajkot                 | Mill Delivery       | Closed          | 1610      | -      |
|                   | Ahmedabad              | Mill Delivery       | Closed          | 1670      | -      |
|                   | Dhrol                  | Loose               | Closed          | 1665      | -      |
|                   | Surat                  | Mill Delivery       | Closed          | 1710      | -      |
| <b>M.P.</b>       | Bhopal                 | Lokwan              | Closed          | 1525      | -      |
|                   | Indore                 | Mill Delivery       | Closed          | 1685      | -      |
| <b>Rajasthan</b>  | Kota                   | Mill Quality Loose  | 1525            | 1525      | Unch   |
|                   |                        | Mill Delivery       | 1625            | 1625      | Unch   |
| <b>U.P.</b>       | Kanpur                 | Mill Delivery       | 1565            | 1565      | Unch   |
|                   | Mathura                | Mill Quality Loose  | 1510            | 1510      | Unch   |
|                   | Kosi                   | Mill Quality Loose  | 1545            | 1545      | Unch   |
|                   | Hathras                | Mill Quality Loose  | NA              | 1525      | -      |
|                   | Aligarh                | Mill Quality Loose  | 1500            | 1480      | 20     |
| <b>Punjab</b>     | Khanna                 | Mill Quality Loose  | NA              | NA        | -      |
|                   | (Ludhiana)Jagraon      | Mill Delivery       | NA              | NA        | -      |
| <b>Haryana</b>    | Sirsa                  | Mill Delivery loose | 1540            | 1565      | -25    |
|                   | Hodal                  | Mill Delivery       | NA              | NA        | -      |
|                   | Karnal                 | Mill Delivery       | NA              | NA        | -      |
|                   | Bhiwani                | Mill Quality Loose  | 1600            | 1600      | Unch   |
|                   | Panipat                | Mill Quality Loose  | NA              | NA        | -      |
| <b>Tamil Nadu</b> | Chennai                | Mill Quality        | 1890            | 1890      | Unch   |
|                   | Madurai                | Mill Quality        | 1947            | 1947      | Unch   |
|                   | Coimbatore             | Mill Quality        | 1947            | 1947      | Unch   |
| <b>Bihar</b>      | Sitamari               | Mill Quality        | Closed          | Closed    | -      |
|                   | Khagariya              | Mill Quality        | 1650            | 1650      | Unch   |
| <b>FOR</b>        | Kandla(Gujarat-Rajkot) | Mill Quality        | Closed          | 1600      | -      |

|  |                            |              |        |      |   |
|--|----------------------------|--------------|--------|------|---|
|  | Gandhidham(Gujarat-Rajkot) | Mill Quality | Closed | 1600 | - |
|--|----------------------------|--------------|--------|------|---|

| Centre           | Market | Variety      | Prices (Rs/Qtl) |           | Change |
|------------------|--------|--------------|-----------------|-----------|--------|
|                  |        |              | 31-Oct-15       | 30-Oct-15 |        |
| <b>Gujarat</b>   | Rajkot | Lokwan       | Closed          | 2000      | -      |
|                  | Dhrol  | Lokwan       | Closed          | 1875      | -      |
| <b>M.P.</b>      | Indore | Lokwan       | Closed          | 2000      | -      |
|                  | Bhopal | Lokwan       | Closed          | 1725      | -      |
|                  | Bina   | Sarbati 306  | Closed          | 2500      | -      |
| <b>Rajasthan</b> | Kota   | Lokwan Bilty | 1750            | 1750      | Unch   |
|                  | Baran  | Lokwan       | Closed          | NA        | -      |

| Centre           | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
|                  |                   |                    | 31-Oct-15           | 30-Oct-15 |        |
| <b>Delhi</b>     | Lawrence Road     | Mill Delivery      | 3500                | 4000      | -500   |
|                  | Narella           | Mill Quality Loose | 400                 | 400       | Unch   |
|                  | Nazafgarh         | Mill Quality Loose | 100                 | 150       | -50    |
| <b>Gujarat</b>   | Rajkot            | Mill Quality Loose | Closed              | 900       | -900   |
|                  | Dhrol             | Mill Delivery      | 6                   | 7         | -1     |
| <b>M.P.</b>      | Indore            | Mill Quality Loose | Closed              | 4000      | -      |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 5000                | 5000      | Unch   |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 300                 | 400       | -100   |
|                  | Mathura           | Mill Quality Loose | 125                 | 200       | -75    |
|                  | Kosi              | Mill Quality Loose | 600                 | 500       | 100    |
|                  | Hathras           | Mill Quality Loose | NA                  | 60        | -      |
|                  | Aligarh           | Mill Quality Loose | 500                 | 800       | -300   |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | NA                  | NA        | -      |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 100                 | 200       | -100   |
|                  | Hodal             | Mill Quality Loose | NA                  | NA        | -      |
|                  | Karnal            | Mill Delivery      | NA                  | NA        | -      |
|                  | Bhiwani           | Mill Quality Loose | 600                 | 600       | Unch   |

| Wheat Products Delhi |  | 31-Oct-15 | 30-Oct-15 | Change |
|----------------------|--|-----------|-----------|--------|
| Atta (50kg) Ordinary |  | 875       | 875       | Unch   |
| Maida Grade 1 (90kg) |  | 2202      | 2202      | Unch   |
| Maida Grade 1 (50KG) |  | 1205      | 1205      | Unch   |
| Suji (50kg)          |  | 1230      | 1230      | Unch   |
| Chokar (50 kg)       |  | 733       | 733       | Unch   |
| Chokar (34 kg)       |  | 490       | 490       | Unch   |
| Chakki Atta (50kg)   |  | 1015      | 1015      | Unch   |



|                              |      |      |      |
|------------------------------|------|------|------|
| Chakki Atta (50kg) Special   | NA   | NA   | -    |
| Chakki Atta (90kg) Superfine | 1861 | 1861 | Unch |
| Chakki Atta (50kg) Superfine | NA   | NA   | -    |

| Wheat (CBOT) Future Price: 30.10.2015 |        |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                        | Open   | High   | Low    | Close  | Change |
| 15-Dec                                | 515.25 | 523.50 | 515.00 | 522.00 | 7.00   |
| 16-Mar                                | 519.50 | 527.00 | 519.50 | 525.50 | 6.00   |
| 16-May                                | 523.50 | 530.00 | 523.00 | 529.00 | 5.50   |
| 16-Jul                                | 527.00 | 530.75 | 524.00 | 530.00 | 5.00   |
| 16-Sep                                | 531.25 | 538.00 | 531.25 | 538.00 | 5.00   |
| 16-Dec                                | 546.25 | 549.00 | 543.00 | 548.50 | 3.75   |

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