

Wheat Domestic Fundamentals:

Wheat cash market may trade firm as local millers are active once again to cover their short position. Supply side seems tight in north and central India.

Wheat stock in central pool is almost 25.28% lower than stock registered in Aug-2015. As on 1st August-2016 wheat stock in central pool was registered at 268.79 lakh tonne. It was 301.81 lakh tonne in July-2016. Major portion of wheat stock is available in north zone where 202 lakh tonne wheat was registered in stock. South zone has 54.18 lakh tonne wheat. North zone includes Haryana, Punjab and Rajasthan while south zone includes Gujarat, Maharashtra, M.P and Chhatisgarh.

Offtake in June was registered at 24.57 lakh tonne while in July 33.02 lakh tonne wheat was lifted. It is much higher than oftake June, July 2015 when around 17 and 17.6 lakh tonne wheat was lifted. As cash market is facing short supply, dependence on central pool stock would increase. It would push wheat price up in coming weeks.

All India average wheat price could not sustain at higher level and decreased by 1.75 percent to Rs 1767.78 per qtl. during the week ended 13th August-2016. Wheat average price was ruling at Rs 1798.98 per qtl in the first week of August. All India average price is higher by 4.70 % in comparison to price (Rs 1688.37 per qtl.) registered in the second week of August, 2015. Overall trend in cash market is expected to remain steady to slightly firm as demand for wheat products is likely to increase ahead of festive season.

India exported 577 tonne wheat during week ended 6th, August-2016 from Mundra and Cochin port. Major buyers were Qatar, UAE, Thailand and UK. Wheat has been exported at an average FoB of \$294.40 per tonne. Wheat export increased by 267 percent last week from 257.11 to 577 tonne. As parity is not in favor of Indian exporters, export volume would remain negligible in coming weeks. India managed to export total 20,000 tonne wheat in current MY till 6th Aug-2016.

India imported 30,100.04 tonne wheat from Australia in the week ended 6th August-2016. The average CiF price has been registered at \$224.46 per tonne. Before this four shipments at Cochin port were reported in July from Ukraine having 11,000, 18,495.57, 5,000 & 16,414.11 tonne in four weeks of July -2016. Average price for these consignment was registered at \$191.94 per tonne. Total 50,910 tonne was imported in July. August started with 30,100.04 tonne import. Total import has crossed 80,000 T in current MY.

Rake loading from Rajasthan to Bangalore is being reported at 2075 per qtl. As demand continues, prices in domestic market is likely to trade stable to slightly firm despite import and release from central pool stock through various channels.

International Market Update:

Australia is heading towards a bumper wheat crop to be harvested in October. Experts have estimated around 27.2 MMT wheat crop in 2016-17. It has started affecting wheat FoB quote in Australia and it has touched at \$206.5 per T for premium white wheat in western Australia. It is the lowest price after 2009. For December/January delivery new crop is being offered at \$208/210 per tonne at western Australian port. Buyers have showed interest at \$200 per tonne. Russia is offering wheat having 12.5 % protein content at \$174 per Tonne. Lower crop size in Europe has supported wheat price in Russia to some extent.

IGC has revised wheat production projection up by 6 MMT from 729 to 735 MMT in 28th, July-2016 for crop year 2016-17. According to IGC global wheat production for 2016-17 may touch 735 MMT against 729 forecast for 2015-16. The difference is around 6 MMT from previous estimate. Higher projection for wheat may pressurize global wheat market at current level and any major recovery from current level is unlikely.

Ukraine is offering wheat at \$163 per tonne for wheat having 12.5 percent protein content. However, French wheat export price increased by 4.5 % to \$ 187.5 per tonne. International market may move up.

Domestic market Outlook: Wheat cash market is likely to trade stable to firm in the near term.

Wheat Futures Contact: NCDEX Price							Date: 19.08.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Aug	-1	1741.00	1749.00	1740.00	1740.00	270	-110	730	-150
16-Sep	6	1756.00	1763.00	1752.00	1757.00	3220	1940	20360	605
16-Oct	11	1781.00	1787.00	1778.00	1784.00	1170	980	2150	1175

Spread	Aug-16	Sep-16	Oct-16	
Spot Narela				
16-Aug	20			
16-Sep		17		
16-Oct			27	

Stocks	Demat	In- Process	Total	FED
	17.Aug.16	17.Aug.16	17.Aug.16	13.Aug.16
Delhi	342	0	342	352
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13375	0	13375	13375
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 19.08.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Aug-16	17-Aug-16	
Delhi	Lawrence Road	Mill Delivery	1810	1795	15
	Narella	Mill Quality Loose	1720	Closed	-
	Nazafgarh	Mill Quality Loose	1710	Closed	-
Gujarat	Rajkot	Mill Delivery	1725	1705	20
	Ahmedabad	Mill Delivery	1870	1870	Unch
	Surat	Mill Delivery	1900	1900	Unch
	Dhrol	Mill Quality Loose	1995	1905	90
M.P.	Indore	Mill Delivery	1800	1750	50
	Bhopal	Mill Quality Loose	1700	1700	Unch
Rajasthan	Kota	Mill Quality Loose	1700	1650	50
		Mill Delivery	1750	1740	10
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1610	1610	Unch
	Kosi	Mill Quality Loose	1655	1655	Unch
	Hathras	Mill Quality Loose	1630	1630	Unch
	Aligarh	Mill Quality Loose	1600	1650	-50
Punjab	Khanna	Mill Quality Loose	1630	1630	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1660	1655	5
	Hodal	Mill Delivery	1795	1795	Unch
	Bhiwani	Mill Quality Loose	1670	1670	Unch
	Karnal	Mill Delivery	1655	1650	5
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1750	1725	25

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Aug-16	17-Aug-16	
Gujarat	Rajkot	Lokwan	2000	2050	-50
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	1850	1800	50
	Baran	Lokwan	1825	1825	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Aug-16	17-Aug-16	
Delhi	Lawrence Road	Mill Delivery	4000	4000	Unch
	Narella	Mill Quality Loose	150	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	900	-300
	Dhrol	Mill Quality Loose	41	41	Unch
M.P.	Indore	Mill Quality Loose	500	1000	-500
Rajasthan	Kota	Mill Quality	1000	2000	-1000
U.P.	Kanpur	Mill Quality Loose	NR	10000	-
	Mathura	Mill Quality Loose	NA	350	-
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	200	200	Unch
	Aligarh	Mill Quality Loose	100	300	-200
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(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	200	500	-300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			19-Aug-16	17-Aug-16	Change
Atta (50kg) Ordinary			945	935	10
Maida Grade 1 (50KG)			1330	1330	Unch
Suji (50kg)			1380	1365	15
Chokar (50 kg)			734	724	10

Chokar (34 kg)	507	501	6
Chakki Atta (50kg)	1000	1010	-10
Chakki Atta (50kg) Special	1050	1085	-35
Chakki Atta (90kg) Superfine	1942	1952	-10
Chakki Atta (50kg) Superfine	1060	1070	-10

Wheat (CBOT) Future Price: 18.8.2016					
Contract Month	Open	High	Low	Close	Change
Sep-16	424.50	428.00	420.00	427.00	1.00
Dec-16	442.25	444.75	437.50	444.25	1.25
Mar-17	460.00	462.75	457.00	462.50	1.25
May-17	474.50	475.25	470.00	474.75	1.25
Jul-17	480.00	483.50	478.50	483.00	1.25
Sep-17	492.25	496.50	492.25	496.25	1.75

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