

Wheat Domestic Fundamentals:

Govt may slash import duty to 15%. There is a rumors in the market. Slashing import duty may pressurize wheat price in MP and Rajasthan. Offtake from Punjab and Haryana from central pool stock would be affected.

All India average wheat price decreased by 0.50 percent to Rs 1783.52 per qtl. during the week ended 27th August-2016..Wheat average price was ruling at Rs 1792.59 per qtl in the fourth week of August-2015..All India average price is higher by 8.11 % in comparison to price (Rs 1649.59 per qtl.) registered in the fourth week of August, 2015. Overall trend in cash market is expected to remain steady to slightly weak as govt. may revised wheat import duty down from 25% to 10 % in Sept.-2016.It would pressurize inner tone in the market.

Wheat import starts increasing now. India has imported 74,300 tonne wheat during week ended 21st Aug-2016. It had imported 60458 tonne wheat previous week. Wheat has been imported from Australia, France and Ukraine at an average CIF of \$240.3, \$202.95 & 192.99 per tonne respectively. Wheat import in this marketing year till 21 Aug-2016 has reached at 215768 tonne. Out of total import Australia has contributed 69755 tonne, Ukraine's share has been 11703 tonne while France has offloaded 58100 tonne so far. Import flow is likely to continue in coming weeks. As per market sources around 12 lakh tonne import deals have been struck so far for delivery till October-2016.

India exported only 21370.44 tonne wheat in current marketing year till 21st Aug-2016 at an average FoB of \$325.52 per tonne. Export pace has been negligible due to higher domestic price and lower crop size. India exported only 538.43 tonne wheat during week ending 21st Aug at an average FoB of \$368.48 per tonne. It is 17.67 % higher than previous week. On an average India exports around 450 to 500 Tonne wheat per week, that is much below than normal expectation. Export volume would likely to remain at lower level due to prevailing wide disparity.

With a aim to curb hoarding by bulk buyers/consumers FCI has restricted upper limit of wheat quantity from 5000 T to 500 tonne only in a single e-auction under OMSS. There is a apprehension that hoarding by big players/consumers may influence wheat price in open market. Wheat price in major bench mark market has increased in the range of 15 to 18 percent from April-2016. It has started affecting prices for wheat products now. This year stock with Govt is lower due to lower crop and procurement size and it may touch eight years low by March-2017 end.

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.

International Market Update:

IGC has revised wheat production projection up by 8MMT from 735 MMT to 743 MMT on 25th, Aug-2016 for crop year 2016-17. According to IGC global wheat production for 2016-17 may touch 743 MMT against 736 forecast for 2015-16.

Soft Wheat export(Outside EU) from France is expected to decline considerably from 12.5(last Year to 4.8MMT in 2016-17.Wheat production in France has declined by 28 % this year due to bad weather. Its soft wheat export in EU too is likely to decline7.5 to 6.5 MMT this year.Thus total export may decline by 40 % to 11.5 MMT .Wheat production in France is expected to decline from40.9 to 29.5 MMT this year.

Farmers in Russia/Ukraine have started retaining wheat having higher protein content as they have analysed the emerging scenario in global wheat market. Around 30 % crop loss in France and buyers turning to Russia/Ukraine for sourcing wheat have encouraged local price in black sea region. In Ukraine, prices for wheat with 12.5 percent protein content rose 1.2 percent from a week earlier to \$172.5 a ton. It is \$166 per tonne for wheat having 11.5 % protein content. Wheat price in Black Sea Region is expected to hover in the range of \$165 to \$175 per tonne in coming weeks.

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

[illegible]

Spread	Sep-16	Oct-16	Nov-16	
Spot Narela				
16-Sep	00			
16-Oct		24		
16-Nov				

Stocks	Demat	In- Process	Total	FED
	24.Aug.16	24.Aug.16	24.Aug.16	13.Aug.16
Delhi	342	0	342	352
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13375	0	13375	13375
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 26.08.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Aug-16	24-Aug-16	
Delhi	Lawrence Road	Mill Delivery	1800	1810	-10
	Narella	Mill Quality Loose	1725	Closed	-
	Nazafgarh	Mill Quality Loose	1715	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1700	1700	Unch
		Mill Delivery	1785	1785	Unch
U.P.	Kanpur	Mill Delivery	1715	1715	Unch
	Mathura	Mill Quality Loose	1625	1610	15
	Kosi	Mill Quality Loose	1645	1650	-5
	Hathras	Mill Quality Loose	1650	NR	-
	Aligarh	Mill Quality Loose	1660	1650	10
Punjab	Khanna	Mill Quality Loose	1650	1650	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1660	1660	Unch
	Hodal	Mill Delivery	1810	1810	Unch
	Bhiwani	Mill Quality Loose	1710	1700	10
	Karnal	Mill Delivery	1655	1655	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2060	2060	Unch
	Madurai	Mill Quality	2117	2117	Unch
	Coimbatore	Mill Quality	2117	2117	Unch
Bihar	Khagariya	Mill Delivery	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1750	1750	Unch

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Aug-16	24-Aug-16	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2000	1950	50
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1850	1850	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Aug-16	24-Aug-16	
Delhi	Lawrence Road	Mill Delivery	10000	6000	4000
	Narella	Mill Quality Loose	100	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	NA	2000	-
U.P.	Kanpur	Mill Quality Loose	9000	NR	-
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	400	350	50
	Hathras	Mill Quality Loose	250	NR	-
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	200	400	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	500	600	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			26-Aug-16	24-Aug-16	Change
Atta (50kg) Ordinary			965	965	Unch
Maida Grade 1 (50KG)			1330	1330	Unch
Suji (50kg)			1380	1380	Unch
Chokar (50 kg)			734	734	Unch

Chokar (34 kg)	507	507	Unch
Chakki Atta (50kg)	1000	1000	Unch
Chakki Atta (50kg) Special	1050	1050	Unch
Chakki Atta (90kg) Superfine	1942	1942	Unch
Chakki Atta (50kg) Superfine	1060	1060	Unch

Wheat (CBOT) Future Price: 25.8.2016					
Contract Month	Open	High	Low	Close	Change
Sep-16	404.50	407.75	400.75	401.25	-2.75
Dec-16	427.00	429.75	423.00	423.75	-2.50
Mar-17	448.75	452.00	445.50	446.75	-1.75
May-17	464.25	465.50	459.25	460.75	-1.50
Jul-17	473.75	474.25	468.75	470.00	-1.00
Sep-17	487.50	487.50	483.00	484.00	-1.00

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