

Wheat Domestic Fundamentals:

Cash wheat market trades mixed as fear of slashing import duty has affected inner tonne in the market. If duty is slashed to 15 %, demand from south India would decrease by 40 to 50 % from north and central India. Global market has crashed once again and availability is higher. So chances of higher import have started getting ground now.

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 revise wheat import duty 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 benchmark 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 Chhattisgarh.

International Market Update:

Global wheat market seems under bear's grip once again on the back of bumper harvest from Russia to USA. Favorable weather condition in growing region except France and higher coverage area, yield in USA have distorted inner tonne in the global market. IGC too has increased global wheat production estimate up by 1 percent to 743 MMT from last year. It has driven cbot wheat futures to the lowest level since Sept-2016.

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.

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.

Wheat Futures Contact: NCDEX Price							Date: 30.08.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Sep	4	1729.00	1736.00	1728.00	1736.00	1330	-10	18530	-145
16-Oct	4	1759.00	1760.00	1753.00	1760.00	380	-50	4090	190
16-Nov	0.0	1804.00	1804	1804	1804	00	0	40	20

Spread	Sep-16	Oct-16	Nov-16	
Spot Narela				
16-Sep	4.00			
16-Oct		24.00		
16-Nov			44.00	

Stocks	Demat	In- Process	Total	FED
	29.Aug.16	29.Aug.16	29.Aug.16	29.Aug.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13067	0	13067	13068
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 30.08.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Aug-16	29-Aug-16	
Delhi	Lawrence Road	Mill Delivery	1810	1810	Unch
	Narella	Mill Quality Loose	1740	1740	Unch
	Nazafgarh	Mill Quality Loose	1725	1725	Unch
Gujarat	Rajkot	Mill Delivery	1740	1720	20
	Ahmedabad	Mill Delivery	1880	1880	Unch
	Surat	Mill Delivery	1910	1920	-10
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1775	1775	Unch
Rajasthan	Kota	Mill Quality Loose	1720	1720	Unch
		Mill Delivery	1790	1790	Unch
U.P.	Kanpur	Mill Delivery	1745	1725	20
	Mathura	Mill Quality Loose	1640	1630	10
	Kosi	Mill Quality Loose	1655	1650	5
	Hathras	Mill Quality Loose	1640	1640	Unch
	Aligarh	Mill Quality Loose	1610	1620	-10
Punjab	Khanna	Mill Quality Loose	1630	1650	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1665	1665	Unch
	Hodal	Mill Delivery	1810	1810	Unch
	Bhiwani	Mill Quality Loose	1710	1710	Unch
	Karnal	Mill Delivery	1655	1655	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2075	2075	Unch
	Madurai	Mill Quality	2132	2132	Unch
	Coimbatore	Mill Quality	2132	2132	Unch
Bihar	Khagariya	Mill Delivery	NR	1750	-
	Muzaffarpur	Mill Delivery	1760	1760	Unch

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Aug-16	29-Aug-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2250	2200	50
Rajasthan	Kota	LokwanBilty	2000	2000	Unch
	Baran	Lokwan	1850	1830	20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Aug-16	29-Aug-16	
Delhi	Lawrence Road	Mill Delivery	4500	4500	Unch
	Narella	Mill Quality Loose	100	100	Unch
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	5000	1800	3200
U.P.	Kanpur	Mill Quality Loose	8500	9000	-500
	Mathura	Mill Quality Loose	400	300	100
	Kosi	Mill Quality Loose	400	600	-200
	Hathras	Mill Quality Loose	NR	150	-
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	500	400	100
	(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	200	500	-300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			30-Aug-16	29-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: 29.8.2016					
Contract Month	Open	High	Low	Close	Change
Sep-16	383.50	384.00	369.50	370.50	-13.00
Dec-16	407.50	407.75	395.25	397.00	-10.50
Mar-17	432.25	432.25	419.50	421.00	-11.00
May-17	447.00	447.00	434.50	435.75	-11.00
Jul-17	455.25	455.25	444.50	444.75	-11.00
Sep-17	470.75	470.75	461.25	461.25	-10.00

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