

Wheat Domestic Fundamentals:

Wheat import continue with same pace as global market remains under pressure and supply exceeds on the back of bumper production prospects in Russia, US and Canada. India imported 58874.2 tonne wheat during week ended 28th August, 2016. Wheat has been imported from Australia and Luthuania at an average CiF of \$246.25 per tonne. Around 28,000 Australian wheat landed at Tuticorin port at CiF \$245.9 per tonne. Around 20,000 tonne wheat landed at Cochin port at CiF of \$249.15 per tonne. Around 10874 tonne has been imported from Luthuania (EU) and it landed at JNPT port at an average CIF of \$242.07 per tonne. As price of wheat has decreased considerably, fresh import deals are expected in Sept after decision on import tax in India.

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.

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:

Russia deputy agriculture minister Jambulat Khaturon in his latest statement has said that country would abolish export duty on wheat by July 2018. Russia had imposed export duty on wheat in Feb-2015 to stabilize grain price in local market. Under current duty effective from 1st October 2015 exporters have to pay amounts to 50 % of the customs value minus 6500 rubles per metric tonne with a condition that it would not be less than 10 rubles per metric tonnes.

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 8 MMT 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: 31.08.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Sep	12	1735.00	1757.00	1732.00	1748.00	1330	-10	18530	-145
16-Oct	13	1762.00	1800.00	1755.00	1770.00	380	-50	4090	190
16-Nov	0.0	1817.00	1817	1817	1804	00	0	40	20

Spread	Sep-16	Oct-16	Nov-16	
Spot Narela	closed			
16-Sep				
16-Oct				
16-Nov				

Stocks	Demat	In- Process	Total	FED
	30.Aug.16	30.Aug.16	30.Aug.16	29.Aug.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13067	0	13067	13068
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 31.08.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-16	30-Aug-16	
Delhi	Lawrence Road	Mill Delivery	1810	1810	Unch
	Narella	Mill Quality Loose	Closed	1740	-
	Nazafgarh	Mill Quality Loose	Closed	1725	-
Gujarat	Rajkot	Mill Delivery	1750	1740	10
	Ahmedabad	Mill Delivery	1880	1880	Unch
	Surat	Mill Delivery	1915	1910	5
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1750	1775	-25
Rajasthan	Kota	Mill Quality Loose	1730	1720	10
		Mill Delivery	1790	1790	Unch
U.P.	Kanpur	Mill Delivery	1715	1745	-30
	Mathura	Mill Quality Loose	1630	1640	-10
	Kosi	Mill Quality Loose	NA	1655	-
	Hathras	Mill Quality Loose	NA	1640	-
	Aligarh	Mill Quality Loose	Closed	1610	-
Punjab	Khanna	Mill Quality Loose	1650	1630	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1665	1665	Unch
	Hodal	Mill Delivery	NR	1810	-
	Bhiwani	Mill Quality Loose	1700	1710	-10
	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	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1800	1760	40

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-16	30-Aug-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	Closed	2250	-
Rajasthan	Kota	LokwanBilty	1825	2000	-175
	Baran	Lokwan	Closed	1850	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Aug-16	30-Aug-16	
Delhi	Lawrence Road	Mill Delivery	3000	4500	-1500
	Narella	Mill Quality Loose	Closed	100	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	2000	5000	-3000
U.P.	Kanpur	Mill Quality Loose	10500	8500	2000
	Mathura	Mill Quality Loose	500	400	100
	Kosi	Mill Quality Loose	NA	400	-
	Hathras	Mill Quality Loose	NA	NR	-
	Aligarh	Mill Quality Loose	Closed	300	-
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	NR	100	-
	Bhiwani	Mill Quality Loose	400	200	200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			31-Aug-16	30-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: 30.8.2016					
Contract Month	Open	High	Low	Close	Change
Sep-16	370.00	374.25	361.50	363.25	-7.25
Dec-16	396.50	400.75	391.50	392.25	-4.75
Mar-17	420.00	424.25	414.50	415.00	-6.00
May-17	436.50	438.50	429.00	429.25	-6.50
Jul-17	444.00	446.75	438.00	438.25	-6.50
Sep-17	462.50	463.25	454.75	454.75	-6.50

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