

Wheat Domestic Fundamentals:

All India average monthly price for wheat decreased marginally by 0.38 percent from Rs 1780.36 (in July) to Rs 1773.58 per qtl in August-2016 due to increasing fear of higher import volume and continuous sale from OMSS through auction. Rumour of likely downward revision in import duty and better crop prospects for next year have weakened inner tone in the market. Average price (August) is higher by 85.95 percent from the price (Rs 1673.9 per qtl.) registered in August-2015. However, festive demand would continue to lend support to cash market fundamental and restrict market from any major decline. Higher import volume would restrict demand from south Indian millers. It would directly impact wheat price of central and north India. Govt.'s decision on import duty too would decide future outlook for wheat in domestic market.

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.

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 Khaturov 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 tone 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.

Outlook: Cash market is expected to trade steady in the near term

| Wheat Futures Contact: NCDEX Price | | | | | | | Date: 02.09.2016 | | |
|------------------------------------|----------------------|---------|---------|---------|---------|------|-----------------------|-------|-----------------------|
| Contract Month | Ch from previous day | Open | High | Low | Close | Vol. | Ch. From previous day | OI | Ch. From previous day |
| 16-Sep | 4 | 1748.00 | 1756.00 | 1746.00 | 1756.00 | 1800 | -1580 | 13580 | -445 |
| 16-Oct | 1 | 1760.00 | 1771.00 | 1760.00 | 1768.00 | 1800 | 650 | 6090 | 1195 |
| 16-Nov | 0.0 | 1800.00 | 1800 | 1800 | 1800 | 00 | 0 | 40 | 00 |

| Spread | Sep-16 | Oct-16 | Nov-16 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 16-Sep | 16 | | | |
| 16-Oct | | 12 | | |
| 16-Nov | | | 00 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 02.Sep.16 | 02.Sep.16 | 02.Sep.16 | 29.Aug.16 |
| Delhi | 342 | 0 | 342 | 342 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 13067 | 0 | 13067 | 13068 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 03.09.2016

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------|--------------------|---------------------|-----------------|----------|--------|
| | | | 3-Sep-16 | 2-Sep-16 | |
| Delhi | Lawrence Road | Mill Delivery | 1800 | 1800 | Unch |
| | Narella | Mill Quality Loose | 1740 | 1725 | 15 |
| | Nazafgarh | Mill Quality Loose | 1730 | 1715 | 15 |
| Gujarat | Rajkot | Mill Delivery | 1740 | 1740 | Unch |
| | Ahmedabad | Mill Delivery | 1875 | 1880 | -5 |
| | Surat | Mill Delivery | 1910 | 1920 | -10 |
| | Dhrol | Mill Quality Loose | 2000 | 1800 | 200 |
| M.P. | Indore | Mill Delivery | 1750 | 1750 | Unch |
| | Bhopal | Mill Quality Loose | 1800 | 1800 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1715 | 1700 | 15 |
| | | Mill Delivery | 1780 | 1780 | Unch |
| U.P. | Kanpur | Mill Delivery | 1735 | 1755 | -20 |
| | Mathura | Mill Quality Loose | 1640 | 1640 | Unch |
| | Kosi | Mill Quality Loose | 1660 | 1670 | -10 |
| | Hathras | Mill Quality Loose | 1640 | NR | - |
| | Aligarh | Mill Quality Loose | 1610 | 1640 | -30 |
| Punjab | Khanna | Mill Quality Loose | 1630 | 1630 | Unch |
| | Ludhiana (Jagraon) | Mill Delivery | Closed | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1665 | 1665 | Unch |
| | Hodal | Mill Delivery | NR | NR | - |
| | Bhiwani | Mill Quality Loose | 1700 | 1700 | Unch |
| | Karnal | Mill Delivery | 1670 | 1670 | Unch |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2100 | 2100 | Unch |
| | Madurai | Mill Quality | 2157 | 2157 | Unch |
| | Coimbatore | Mill Quality | 2157 | 2157 | Unch |
| Bihar | Khagariya | Mill Delivery | 1750 | 1750 | Unch |
| | Muzaffarpur | Mill Delivery | 1800 | 1800 | Unch |

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

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|----------|--------|
| | | | 3-Sep-16 | 2-Sep-16 | |
| Gujarat | Rajkot | Lokwan | 2000 | 2000 | Unch |
| M.P. | Indore | Lokwan | 2200 | 2200 | Unch |
| | Bhopal | Lokwan | 1950 | 1900 | 50 |
| | Bina | Sarbati 306 | NR | 2250 | - |
| Rajasthan | Kota | LokwanBilty | 1900 | 1900 | Unch |
| | Baran | Lokwan | 1750 | 1800 | -50 |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 3-Sep-16 | 2-Sep-16 | |
| Delhi | Lawrence Road | Mill Delivery | 5000 | 5000 | Unch |
| | Narella | Mill Quality Loose | 200 | 150 | 50 |
| | Nazafgarh | Mill Quality Loose | 300 | 150 | 150 |
| Gujarat | Rajkot | Mill Quality Loose | 1400 | 900 | 500 |
| | Dhrol | Mill Quality Loose | 26 | 26 | Unch |
| M.P. | Indore | Mill Quality Loose | 1500 | 1500 | Unch |
| Rajasthan | Kota | Mill Quality | 2000 | 4000 | -2000 |
| U.P. | Kanpur | Mill Quality Loose | 10000 | 9000 | 1000 |
| | Mathura | Mill Quality Loose | 350 | 250 | 100 |
| | Kosi | Mill Quality Loose | 500 | 500 | Unch |
| | Hathras | Mill Quality Loose | 300 | NR | - |
| | Aligarh | Mill Quality Loose | 300 | 200 | 100 |
| Punjab | Khanna | Mill Quality Loose | 200 | 300 | -100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | Closed | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 200 | Unch |
| | Hodal | Mill Quality Loose | NR | NR | - |
| | Bhiwani | Mill Quality Loose | 400 | 500 | -100 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | | | 3-Sep-16 | 2-Sep-16 | Change |
|----------------------|--|--|----------|----------|--------|
| Atta (50kg) Ordinary | | | 975 | 975 | Unch |
| Maida Grade 1 (50KG) | | | 1330 | 1330 | Unch |
| Suji (50kg) | | | 1380 | 1380 | Unch |
| Chokar (50 kg) | | | 744 | 734 | 10 |

| | | | |
|------------------------------|------|------|-------------|
| Chokar (34 kg) | 504 | 507 | -3 |
| 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: 02.9.2016 | | | | | |
|---|-------------|-------------|------------|--------------|---------------|
| Contract Month | Open | High | Low | Close | Change |
| Sep-16 | 368.25 | 374.50 | 367.25 | 373.25 | 5.00 |
| Dec-16 | 394.00 | 401.50 | 393.00 | 399.25 | 4.50 |
| Mar-17 | 416.75 | 423.25 | 415.50 | 421.25 | 4.50 |
| May-17 | 430.50 | 436.75 | 430.50 | 434.75 | 4.25 |
| Jul-17 | 440.75 | 447.25 | 440.75 | 446.25 | 5.00 |
| Sep-17 | 460.00 | 462.50 | 460.00 | 462.50 | 5.00 |

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