

Wheat Domestic Fundamentals:

Mixed trend was featured in cash wheat market as trading focus remained centred on govt.'s decision to slash import duty. If duty is slashed cash market may decrease by Rs 100 per qtl. More decrease is possible if duty is reduced to zero. Duty revision is under consideration.

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.

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 05.09.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Sep-16	3-Sep-16	
Delhi	Lawrence Road	Mill Delivery	1800	1800	Unch
	Narella	Mill Quality Loose	1745	1740	5
	Nazafgarh	Mill Quality Loose	1715	1730	-15
Gujarat	Rajkot	Mill Delivery	1750	1740	10
	Ahmedabad	Mill Delivery	1880	1875	5
	Surat	Mill Delivery	1910	1910	Unch
	Dhrol	Mill Quality Loose	1910	2000	-90
M.P.	Indore	Mill Delivery	Closed	1750	-
	Bhopal	Mill Quality Loose	Closed	1800	-
Rajasthan	Kota	Mill Quality Loose	Closed	1715	-
		Mill Delivery	Closed	1780	-
U.P.	Kanpur	Mill Delivery	1715	1735	-20
	Mathura	Mill Quality Loose	1640	1640	Unch
	Kosi	Mill Quality Loose	1668	1660	8
	Hathras	Mill Quality Loose	1640	1640	Unch
	Aligarh	Mill Quality Loose	1620	1610	10
Punjab	Khanna	Mill Quality Loose	1630	1630	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	Closed	-
Haryana	Sirsa	Mill Delivery loose	1660	1665	-5
	Hodal	Mill Delivery	NR	NR	-
	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Karnal	Mill Delivery	1665	1670	-5
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2100	-
	Madurai	Mill Quality	Closed	2157	-
	Coimbatore	Mill Quality	Closed	2157	-
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
			5-Sep-16	3-Sep-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	Closed	2200	-
	Bhopal	Lokwan	Closed	1950	-
	Bina	Sarbati 306	Closed	NR	-
Rajasthan	Kota	LokwanBilty	Closed	1900	-
	Baran	Lokwan	Closed	1750	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Sep-16	3-Sep-16	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	1100	1400	-300
	Dhrol	Mill Quality Loose	80	26	54
M.P.	Indore	Mill Quality Loose	Closed	1500	-
Rajasthan	Kota	Mill Quality	Closed	2000	-
U.P.	Kanpur	Mill Quality Loose	12400	10000	2400
	Mathura	Mill Quality Loose	200	350	-150
	Kosi	Mill Quality Loose	700	500	200
	Hathras	Mill Quality Loose	60	300	-240
	Aligarh	Mill Quality Loose	100	300	-200
Punjab	Khanna	Mill Quality Loose	300	200	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	Closed	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	NR	NR	-
	Bhiwani	Mill Quality Loose	600	400	200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		5-Sep-16	3-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	744	Unch

Chokar (34 kg)	504	504	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: 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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