

Wheat Domestic Fundamentals:

India mainly imports wheat from France and Australia but production in France has dropped to 28.47 million hectares this year down by around 30% compared to last year. Taking advantage of the situation Ukraine has increased its exports to India. In July and August, Ukraine has delivered 240000 metric tons of wheat.

All India average wheat price continued its descending trend and decreased by 1.37 percent to Rs 1796.12 per qtl. during the week ended 10th Sept-2016..Wheat average price was ruling at Rs 1668.14 per qtl in the first week of Sept-2015. All India average price is higher by 7.67 % in comparison to price (Rs 1668.14 per qtl.) registered in the first week of Sept, 2015. Overall trend in cash market is expected to remain steady to slightly weak as govt. may revise wheat import duty from 25% to 15 % in Sept.-2016.It would pressurize inner tone in the market. If duty is not revised, steady to firm sentiment may continue.

Pressure continues on wheat cash market as domestic players are awaiting decision on import duty. Market may continue to trade steady to weak until decision over duty gets clear. If duty is revised down cash market is likely to move down as higher volume of import may affect wheat demand from south India and it would turn inner tone in bear's favor. So all eyes are on decision on duty that will determine price direction of the market.

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India imported around 74,000 tonne wheat from Australia and Ukraine last week till 4th Sept-2016 at an average CiF of \$228.98 per tonne. Around 10,000 tonne has been imported from Ukraine at an average CiF of \$193.21 per tonne and it landed at Tuticorin port. Mostly Australian wheat has landed at Tuticorin port at an average CiF of \$244.58 per tonne and it landed at Tuticorin port. One consignment of 10,000 T Australian wheat landed at Cochin sea at an average CiF of \$ 249.15 per tonne. More vessels are expected in Sept. Players are waiting for revision in duty and no fresh deal has been reported this week. Total import in current marketing year has crossed 3.48 lakh tonne .

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:

France has harvested one of its worst wheat crops on account of heavy rainfall in late May to mid June as well as low sunshine during the crop's growth period. This year France's area is up by 1.3% (5.23million hectares) whereas production and yield are down by 30% (28.47 million tonnes) and 31% (5.45 tonnes per hectare) respectively compared to last year.

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 affective 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.

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 forecasts for 2015-16.

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

Wheat Futures Contact: NCDEX Price							Date: 15.09.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Sep	0	1775	1783	1775	1775	200	-1,680	1580	-1,360
16-Oct	8	1736	1747	1736	1745	1290	-550	15910	-250
16-Nov	0	1757	1760	1755	1757	130	0	420	10

Spread	Sep-16	Oct-16	Nov-16	
Spot Narela				
16-Sep	35			
16-Oct		30		
16-Nov			-12	

Stocks	Demat	In- Process	Total	FED
	14.Sep.16	14.Sep.16	14.Sep.16	13.Sep.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12680	0	12680	12680
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 15.09.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Sep-16	14-Sep-16	
Delhi	Lawrence Road	Mill Delivery	1815	1820	-5
	Narella	Mill Quality Loose	1740	Closed	-
	Nazafgarh	Mill Quality Loose	1720	Closed	-
Gujarat	Rajkot	Mill Delivery	1735	1735	Unch
	Ahmedabad	Mill Delivery	1880	1870	10
	Surat	Mill Delivery	1915	1910	5
	Dhrol	Mill Quality Loose	NR	1895	-
M.P.	Indore	Mill Delivery	Closed	1750	-
	Bhopal	Mill Quality Loose	Closed	1700	-
Rajasthan	Kota	Mill Quality Loose	Closed	1670	-
		Mill Delivery	Closed	1750	-
U.P.	Kanpur	Mill Delivery	1750	1725	25
	Mathura	Mill Quality Loose	1630	1625	5
	Kosi	Mill Quality Loose	1660	1660	Unch
	Hathras	Mill Quality Loose	1665	1660	5
	Aligarh	Mill Quality Loose	1630	1630	Unch
Punjab	Khanna	Mill Quality Loose	1620	1620	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1665	1665	Unch
	Hodal	Mill Delivery	1800	1800	Unch
	Bhiwani	Mill Quality Loose	1725	1715	10
	Karnal	Mill Delivery	1680	1675	5
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2050	-
	Madurai	Mill Quality	Closed	2107	-
	Coimbatore	Mill Quality	Closed	2107	-
Bihar	Khagariya	Mill Delivery	1700	1750	-50
	Muzaffarpur	Mill Delivery	1940	1940	Unch

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Sep-16	14-Sep-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	Closed	2200	-
	Bhopal	Lokwan	Closed	1850	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	Closed	1900	-
	Baran	Lokwan	Closed	1800	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Sep-16	14-Sep-16	
Delhi	Lawrence Road	Mill Delivery	3000	3000	Unch
	Narella	Mill Quality Loose	150	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	800	900	-100
	Dhrol	Mill Quality Loose	NR	50	-
M.P.	Indore	Mill Quality Loose	Closed	1200	-
Rajasthan	Kota	Mill Quality	Closed	3000	-
U.P.	Kanpur	Mill Quality Loose	8500	10000	-1500
	Mathura	Mill Quality Loose	200	200	Unch
	Kosi	Mill Quality Loose	600	700	-100
	Hathras	Mill Quality Loose	60	30	30
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	400	500	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	15-Sep-16	14-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)	510	510	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: 14.9.2016					
Contract Month	Open	High	Low	Close	Change
Sep-16	376.75	383.00	376.75	376.75	2.00
Dec-16	400.00	404.25	395.00	403.00	2.00
Mar-17	421.00	425.25	416.25	424.50	2.75
May-17	436.25	439.75	430.75	439.50	3.00
Jul-17	446.25	450.25	440.50	449.75	3.25
Sep-17	459.00	464.25	456.00	464.25	4.25

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