Wheat Domestic Fundamentals:

Cash wheat market is likely to stay steady to slightly firm in the short to medium *term.Fear of import duty reduction is over now and imported volume would remain restricted to the south Indian millers. Demand for domestic wheat from south Indian millers is likely to continue and it may lend support to wheat market fundamentals.Offtake from central pool stock too would continue,especially from Punjab where maximum stock is accumulated.*

India had entered into contract till May for importing around 1200000 tonnes of wheat in 2016. *The last time India bought such large quantity was in 2006, when around six million tonnes was imported. Such large imports in 2006 led to an increase of about 50 percent in global prices. In 2016 traders and millers are expecting the same rally to reoccur in global prices but such an event is not possible now, as major producing countries except France have enough marketable surplus which cannot be consumed by India alone. Besides with continuation of import duty, import volume would remain restricted below 2.25 MMT. Furthermore it would not be enough to push global prices up by 10% at a stretch, unless such crop is completely washed away which is expected in October.*

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 mayaffect 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.*

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 Tuticorinport.Mostly Australian wheat has landed at Tuticorin port at an average CiF of $244.58 per tonne and it landed at Tuticorinport.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 .*

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 at268.79 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 includesHaryana,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.*

Wheat stockpiles in Canada have decreased sharply in comparison to last year. *However, it has not declined as much as expected at this point of time.A report from Statistics Canada shows this.It has pegged wheat stock at 5.2 MMT by the end July-2016.It is down by 27 % from last year. However, it is higher by trade estimate of 4.29 MMT.The main reason behind higher stock is higher retention at farm level.Canada is a major wheat exporter.*

Russia deputy agriculture ministerJambulatKhaturov in his latest statement has *said that country would abolish export duty on wheatby July 2018.Russia had imposedexport duty on wheat in Feb-2015 tostabilize grain price in local market. Under current duty affective from 1st October 2015 exporters have to pay amounts to50 %of the customs value minus 6500 rubles per metric tonne with a condition that it would not be less than10 rubles per metric tonnes.*

IGC has revised wheat production projection up by 8MMT from735 MMT to 743 *MMT on 25th, Aug-2016 for crop year2016-17. According to IGC global wheat production for 2016-17may touch 743 MMT against 736 forecasts for 2015-16.*

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

Wheat Futures Contact: NCDEX Price									Date:19.09.2016
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Oct	+2	1754	1760	1750	1750	1750	960	15460	-420
16-Nov	+2	1775	1776	1761	1764	520	430	860	370

Spread	Sep-16	Oct-16	Nov-16	
Spot Narela				
16-Sep	-			
16-Oct		10		
16-Nov			-14	

Stocks	Demat	In- Process	Total	FED
	18.Sep.16	18.Sep.16	18.Sep.16	13.Sep.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12680	0	12680	12680
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 19.09.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Sep-16	17-Sep-16	
Delhi	Lawrence Road	Mill Delivery	1810	1810	Unch
	Narella	Mill Quality Loose	1740	1725	15
	Nazafgarh	Mill Quality Loose	1725	1725	Unch
Gujarat	Rajkot	Mill Delivery	1740	1740	Unch
	Ahmedabad	Mill Delivery	1880	1885	-5
	Surat	Mill Delivery	1920	1915	5
	Dhrol	Mill Quality Loose	NR	1945	-
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1700	Closed	-
Rajasthan	Kota	Mill Quality Loose	1670	1700	-30
		Mill Delivery	1750	1750	Unch
U.P.	Kanpur	Mill Delivery	1720	1730	-10
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1650	1650	Unch
	Hathras	Mill Quality Loose	1680	NA	-
	Aligarh	Mill Quality Loose	1660	1650	10
Punjab	Khanna	Mill Quality Loose	1635	1630	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1655	1660	-5
	Hodal	Mill Delivery	1800	1800	Unch

	Bhiwani	Mill Quality Loose	1725	1700	25
	Karnal	Mill Delivery	1665	1680	-15
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2075	2070	5
	Madurai	Mill Quality	2132	2127	5
	Coimbatore	Mill Quality	2132	2127	5
Bihar	Khagariya	Mill Delivery	1700	1750	-50
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Sep-16	17-Sep-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1800	Closed	-
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	LokwanBilty	1950	1970	-20
	Baran	Lokwan	1800	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Sep-16	17-Sep-16	
Delhi	Lawrence Road	Mill Delivery	4000	4000	Unch
	Narella	Mill Quality Loose	125	100	25
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	900	700	200
	Dhrol	Mill Quality Loose	NR	17	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	11200	NR	-
	Mathura	Mill Quality Loose	300	250	50
	Kosi	Mill Quality Loose	600	500	100
	Hathras	Mill Quality Loose	50	NA	-
	Aligarh	Mill Quality Loose	200	300	-100
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(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	600	500	100

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	19-Sep-16	17-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: 16.9.2016					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
Dec-16	398.00	404.75	393.75	403.25	3.75
Mar-17	421.75	427.00	416.75	425.00	2.75
May-17	437.00	441.25	431.75	439.00	2.00
Jul-17	448.75	451.75	442.75	449.50	1.25
Sep-17	463.75	466.00	458.75	464.75	0.75
Dec-17	482.25	487.75	479.50	484.50	Unch