

Wheat Domestic Fundamentals:

According to IBIS (provisional data), export of wheat has decreased compared to last week. In the week (12-18 September) the exports were around 277 metric tonnes compared to 372 metric tonnes in the week (05-11 September). The said quantity was exported at an average FOB of \$ 378.22 per tonne and the major destinations were UAE, Somalia, Malaysia and Sri Lanka. Total export in current MY till 18th Sept-2016 was registered around 22950 tonne. Export window remained restricted due to disparity.

All India weekly average prices increased by 4.96 percent to Rs. 1864.73 per quintal during the week ended 23rd September 2016. Wheat average price were ruling at Rs 1776.54 per quintal during 09-15th September 2015. As compared to prices in the week 16-23rd September 2015, the prices are firm by 12.53 percent. 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.

India imported around 101000 tonne wheat from Australia, Ukraine, France and Lithuania last week till 18th Sept-2016 at an average CiF of \$236.64 per tonne. Around 6550 tonne has been imported from Ukraine at an average CiF of \$192.97 per tonne. Around 82100 tonne of Australian wheat has landed at Tuticorin port at an average CiF of \$243.83 per tonne. Total import in current marketing year has crossed 5.9 lakh tonne.

India imports 150 KMT of Wheat from Ukraine since the beginning of September and over July-August Ukraine exported about 240 KMT of wheat to India. As per USDA current release, wheat production in India at its lowest level since 2012-13 marketing year, over the past five seasons domestic wheat consumption in the country has increased by 10 MMT. Nevertheless, since the beginning of season 2016/17 India has increased wheat imports even with the import duty. This season Ukraine has already entered the list of key wheat suppliers to India.

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.

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.

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:

GASC has purchased 240000 tonnes of Russian wheat through tender after abolishing its zero-tolerance policy towards ergot. Louis Dreyfus offered 60000 tonnes at FOB \$189/tonne, union offered three cargoes each of 60000 tonnes at FOB \$178.78/tonne, Olam offered 60000 tonnes at FOB \$187.79/tonne and Aston offered 60000 tonnes at FOB \$179/tonne. Earlier suppliers were reluctant in making offers as they were afraid whether import authorities will tolerate negligible level of ergot or not in their cargoes.

Egypt has imported around 11 million tonnes of wheat in the marketing year 2015-16 making it the largest importer of wheat in the world. Egypt has changed its zero tolerance policy towards ergot. Now 0.05 percent ergot is allowed in wheat shipments although shipments of around 540000 tonnes have been suspended as last month months ban has been applied to all outstanding contracts.

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.

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 firm in the near term

Wheat Futures Contract: NCDEX Price								Date:23.09.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Oct	+3	1751	1752	1745	1750	750	-150	13490	-580
16-Nov	+3	1765	1765	1761	1761	20	-70	930	0
16-Dec	-	-	-	-	-	10	-	50	-

Spread	Oct -16	Nov-16	Dec-16	
Spot Narela				
16-Oct	-			
16-Nov		-11		
16-Dec			-	

Stocks	Demat	In- Process	Total	FED
	22.Sep.16	22.Sep.16	22.Sep.16	13.Sep.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13615	0	13615	12680
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 23.09.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Sep-16	22-Sep-16	
Delhi	Lawrence Road	Mill Delivery	NR	1820	-
	Narela	Mill Quality Loose	NR	1770	-
	Nazafgarh	Mill Quality Loose	NR	1720	-
Gujarat	Rajkot	Mill Delivery	1740	1740	Unch
	Ahmedabad	Mill Delivery	1880	1880	Unch
	Surat	Mill Delivery	1915	1915	Unch
	Dhrol	Mill Quality Loose	1915	1935	-20
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1725	1750	-25
Rajasthan	Kota	Mill Quality Loose	1660	1670	-10
		Mill Delivery	1750	1750	Unch
U.P.	Kanpur	Mill Delivery	1735	1735	Unch
	Mathura	Mill Quality Loose	NR	1640	-
	Kosi	Mill Quality Loose	1665	1660	5
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	1650	1650	Unch
Punjab	Khanna	Mill Quality Loose	1610	1585	25
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1650	1655	-5
	Hodal	Mill Delivery	1800	1800	Unch
	Bhiwani	Mill Quality Loose	1730	1725	5
	Karnal	Mill Delivery	1700	1700	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2050	2075	-25
	Madurai	Mill Quality	2107	2132	-25
	Coimbatore	Mill Quality	2107	2132	-25
Bihar	Khagariya	Mill Delivery	1750	1750	Unch
	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
			23-Sep-16	22-Sep-16	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1825	1825	Unch
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	LokwanBilty	1900	1950	-50
	Baran	Lokwan	1800	1825	-25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Sep-16	22-Sep-16	
Delhi	Lawrence Road	Mill Delivery	NR	3000	-
	Narella	Mill Quality Loose	NR	300	-
	Nazafgarh	Mill Quality Loose	NR	150	-
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	20	37	-17
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	NR	60	-
	Kosi	Mill Quality Loose	500	600	-100
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	400	250	150
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch

	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	800	-300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	23-Sep-16	22-Sep-16	Change
Atta (50kg) Ordinary	975	970	5
Maida Grade 1 (50KG)	1330	1330	Unch
Suji (50kg)	1380	1380	Unch
Chokar (50 kg)	744	744	Unch
Chokar (34 kg)	513	510	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: 22.9.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	405.25	411.75	404.25	405.50	-2.25
Mar-17	427.25	433.25	426.50	428.25	-1.00
May-17	443.50	446.50	440.00	442.00	-0.75
Jul-17	449.50	454.75	448.25	450.00	-1.25
Sep-17	464.50	464.50	461.75	463.00	-1.75
Dec-17	483.00	485.50	479.00	480.50	-2.50

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