

### Wheat Domestic Fundamentals:

**Government has reduced import duty on wheat, Crude palm oil and refined vegetable oils** in order to curb food inflation. The import duty on wheat has been reduced from 25 percent to 10 percent. Traders were expecting a reduction in import duty to make imports cheaper and ease the pressure on domestic market. Private traders have already imported around 600000 tonnes in the current marketing year.

**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.

**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 has decided to revise its wheat export duty** to zero in order to reduce risks for traders arising from volatility in rouble currency and to make forward contracts more attractive. Russia's largest foreign buyer of wheat from 1-12 September was Bangladesh with 244800 tonnes. Egypt is usually the largest buyer of Russian wheat was at third place due to its zero-tolerance ergot policy which has been changed to 0.05 percent since September 22. The volume will depend on whether traders will be able to export 373000 tonnes of wheat to Egypt that has been bought but not yet accepted due to change in its zero-tolerance ergot policy.

**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.

**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 weak in the near term

Wheat Futures Contract: NCDEX Price								Date:26.09.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Oct	-1	1742	1753	1724	1750	5640	4,890	12320	-1,170
16-Nov	-2	1735	1763	1735	1761	1480	1,460	1470	540
16-Dec	0	0	0	0	0	10	0	50	0

Spread	Oct -16	Nov-16	Dec-16	
Spot Narela				
16-Oct	15			
16-Nov		-11		
16-Dec			-	

Stocks	Demat	In- Process	Total	FED
	24.Sep.16	24.Sep.16	24.Sep.16	13.Sep.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13615	0	13615	12680
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 26.09.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Sep-16	24-Sep-16	
Delhi	Lawrence Road	Mill Delivery	1815	1820	-5
	Narella	Mill Quality Loose	1765	1770	-5
	Nazafgarh	Mill Quality Loose	1730	1720	10
Gujarat	Rajkot	Mill Delivery	1735	1740	-5
	Ahmedabad	Mill Delivery	1865	1870	-5
	Surat	Mill Delivery	1900	1910	-10
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1770	1750	20
	Bhopal	Mill Quality Loose	1725	1725	Unch
Rajasthan	Kota	Mill Quality Loose	1650	1660	-10
		Mill Delivery	1720	1750	-30
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1630	NR	-
	Kosi	Mill Quality Loose	1655	1655	Unch
	Hathras	Mill Quality Loose	1675	NR	-
	Aligarh	Mill Quality Loose	1650	1650	Unch

<b>Punjab</b>	Khanna	Mill Quality Loose	1630	1650	<b>-20</b>
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	1660	1660	<b>Unch</b>
	Hodal	Mill Delivery	1800	1800	<b>Unch</b>
	Bhiwani	Mill Quality Loose	1725	1725	<b>Unch</b>
	Karnal	Mill Delivery	1695	1700	<b>-5</b>
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2050	2050	<b>Unch</b>
	Madurai	Mill Quality	2107	2107	<b>Unch</b>
	Coimbatore	Mill Quality	2107	2107	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1750	1750	<b>Unch</b>
	Muzaffarpur	Mill Delivery	1825	1825	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Sep-16	24-Sep-16	
<b>Gujarat</b>	Rajkot	Lokwan	2000	2000	<b>Unch</b>
<b>M.P.</b>	Indore	Lokwan	2100	2200	<b>-100</b>
	Bhopal	Lokwan	1825	1825	<b>Unch</b>
	Bina	Sarbati 306	2200	2200	<b>Unch</b>
<b>Rajasthan</b>	Kota	Lokwan Bilty	1850	1900	<b>-50</b>
	Baran	Lokwan	1775	1800	<b>-25</b>

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Sep-16	24-Sep-16	
<b>Delhi</b>	Lawrence Road	Mill Delivery	4000	4000	<b>Unch</b>
	Narella	Mill Quality Loose	150	200	<b>-50</b>
	Nazafgarh	Mill Quality Loose	100	100	<b>Unch</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1000	800	<b>200</b>
	Dhrol	Mill Quality Loose	NR	NR	-
<b>M.P.</b>	Indore	Mill Quality Loose	2000	2000	<b>Unch</b>
<b>Rajasthan</b>	Kota	Mill Quality	4000	3000	<b>1000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	500	NR	-
	Kosi	Mill Quality Loose	500	500	<b>Unch</b>
	Hathras	Mill Quality Loose	30	NR	-
	Aligarh	Mill Quality Loose	300	300	<b>Unch</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	300	200	<b>100</b>

	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	NA	-
	Bhiwani	Mill Quality Loose	400	500	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		26-Sep-16	24-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)		513	513	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: 23.9.2016					
Contract Month	Open	High	Low	Close	Change
<b>Dec-16</b>	403.8	409.5	401.3	404.8	-0.75
<b>Mar-17</b>	427.0	432.0	424.0	428.0	-0.25
<b>May-17</b>	439.5	445.0	437.8	441.8	-0.25
<b>Jul-17</b>	447.5	453.8	446.0	450.0	Unch
<b>Sep-17</b>	460.3	462.8	459.8	462.8	-0.25
<b>Dec-17</b>	477.8	482.5	476.5	480.5	Unch

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