

### Wheat Domestic Fundamentals:

**After the reduction of import duty from 25 percent to 10 percent**, Indian importers have entered into contract for importing 25000 tonnes of Australian wheat for December shipment. The said quantity has been purchased at \$ 210 per tonne C&F. Private traders in India have already imported around 600000 tonnes, this quantity is further expected to rise due to fall in production and reduction in import duty.

**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.

**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:

**Australia's wheat crop is expected to fall due to damages caused to the crop by recent rainfalls.** East coast of the country is expected to receive around 100 millimeters of rainfall, which will lead to wetter than average conditions until November. Furthermore east coast of the country produces high protein wheat which means crop loss in the region will limit the exports with the country. Earlier a forecast of 28.1 million tonnes was given for production which is likely to be revised in the near future.

**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:27.09.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Oct	-8	1744	1745	1741	1743	1150	-4,490	11570	-750
16-Nov	-12	1755	1755	1749	1750	610	-870	1850	380
16-Dec	0	0	0	0	0	10	0	50	0

Spread	Oct -16	Nov-16	Dec-16	
Spot Narela				
16-Oct	7			
16-Nov		-7		
16-Dec			-	

Stocks	Demat	In- Process	Total	FED
	26.Sep.16	26.Sep.16	26.Sep.16	26.Sep.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13615	0	13615	13615
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 27.09.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Sep-16	26-Sep-16	
Delhi	Lawrence Road	Mill Delivery	1815	1815	Unch
	Narella	Mill Quality Loose	1750	1765	-15
	Nazafgarh	Mill Quality Loose	1730	1730	Unch
Gujarat	Rajkot	Mill Delivery	1740	1735	5
	Ahmedabad	Mill Delivery	1870	1865	5
	Surat	Mill Delivery	1905	1900	5
	Dhrol	Mill Quality Loose	1885	NR	-
M.P.	Indore	Mill Delivery	1770	1770	Unch
	Bhopal	Mill Quality Loose	1725	1725	Unch
Rajasthan	Kota	Mill Quality Loose	1630	1650	-20
		Mill Delivery	1710	1720	-10
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1660	1655	5
	Hathras	Mill Quality Loose	1675	1675	Unch
	Aligarh	Mill Quality Loose	1630	1650	-20
Punjab	Khanna	Mill Quality Loose	1630	1630	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

<b>Haryana</b>	Sirsa	Mill Delivery loose	1660	1660	Unch
	Hodal	Mill Delivery	1800	1800	Unch
	Bhiwani	Mill Quality Loose	1725	1725	Unch
	Karnal	Mill Delivery	1690	1695	-5
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
<b>Bihar</b>	Khagariya	Mill Delivery	1850	1800	50
	Muzaffarpur	Mill Delivery	1825	1825	Unch
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Sep-16	26-Sep-16	
<b>Gujarat</b>	Rajkot	Lokwan	2000	2000	Unch
<b>M.P.</b>	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1850	1825	25
	Bina	Sarbati 306	2300	2200	100
<b>Rajasthan</b>	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1750	1775	-25

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Sep-16	26-Sep-16	
<b>Delhi</b>	Lawrence Road	Mill Delivery	4000	4000	Unch
	Narella	Mill Quality Loose	300	150	150
	Nazafgarh	Mill Quality Loose	150	100	50
<b>Gujarat</b>	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	225	NR	-
<b>M.P.</b>	Indore	Mill Quality Loose	3000	2000	1000
<b>Rajasthan</b>	Kota	Mill Quality	4000	4000	Unch
<b>U.P.</b>	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	150	500	-350
	Kosi	Mill Quality Loose	600	500	100
	Hathras	Mill Quality Loose	30	30	Unch
	Aligarh	Mill Quality Loose	200	300	-100
<b>Punjab</b>	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	Unch

	Hodal	Mill Quality Loose	100	50	<b>50</b>
	Bhiwani	Mill Quality Loose	500	400	<b>100</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	27-Sep-16	26-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)	522	513	9
Chakki Atta (50kg)	1025	1000	25
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: 26.9.2016					
Contract Month	Open	High	Low	Close	Change
<b>Dec-16</b>	401.75	407.00	395.25	396.00	<b>-8.75</b>
<b>Mar-17</b>	425.50	430.25	418.50	419.75	<b>-8.25</b>
<b>May-17</b>	441.00	443.75	432.75	433.75	<b>-8.00</b>
<b>Jul-17</b>	449.25	451.75	442.25	443.50	<b>-6.50</b>
<b>Sep-17</b>	458.00	459.50	457.00	457.50	<b>-5.25</b>
<b>Dec-17</b>	479.00	483.00	473.25	476.00	<b>-4.50</b>

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2016 Indian Agribusiness Systems Pvt Ltd.