

### **Wheat Domestic Fundamentals:**

**According to latest update, export of wheat has decreased compared to last week.** In the week (19-25 September) the exports were around 184.6 metric tonnes compared to 277.23 metric tonnes in the week (12-18 September). The said quantity was exported at an average FOB of \$ 318.33 per tonne and the major destinations were UAE, Somalia, UK and Jordan. Total export in current MY till 25th Sept-2016 was registered around 23133 tonne. Export window remained restricted due to disparity.

**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.

**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:28.09.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
16-Oct	+2	1744	1750	1741	1747	630	-520	11200	-370
16-Nov	+3	1751	1759	1751	1754	250	-360	1840	-10
16-Dec	0	0	0	0	0	10	0	50	0

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

Stocks	Demat	In- Process	Total	FED
	27.Sep.16	27.Sep.16	27.Sep.16	26.Sep.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13615	0	13615	13615
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 28.09.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Sep-16	27-Sep-16	
Delhi	Lawrence Road	Mill Delivery	1815	1815	Unch
	Narella	Mill Quality Loose	Closed	1750	-
	Nazafgarh	Mill Quality Loose	Closed	1730	-
Gujarat	Rajkot	Mill Delivery	1740	1740	Unch
	Ahmedabad	Mill Delivery	1870	1870	Unch
	Surat	Mill Delivery	1910	1905	5
	Dhrol	Mill Quality Loose	1875	1885	-10
M.P.	Indore	Mill Delivery	1770	1770	Unch
	Bhopal	Mill Quality Loose	1725	1725	Unch
Rajasthan	Kota	Mill Quality Loose	1630	1630	Unch
		Mill Delivery	1710	1710	Unch
U.P.	Kanpur	Mill Delivery	1715	1725	-10
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1660	1660	Unch
	Hathras	Mill Quality Loose	1680	1675	5
	Aligarh	Mill Quality Loose	1650	1630	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	1690	Unch
	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	1850	Unch
	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
			28-Sep-16	27-Sep-16	
<b>Gujarat</b>	Rajkot	Lokwan	2000	2000	Unch
<b>M.P.</b>	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1850	1850	Unch
	Bina	Sarbati 306	Closed	2300	-
<b>Rajasthan</b>	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1725	1750	-25

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-Sep-16	27-Sep-16	
<b>Delhi</b>	Lawrence Road	Mill Delivery	4000	4000	Unch
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	800	800	Unch
	Dhrol	Mill Quality Loose	45	225	-180
<b>M.P.</b>	Indore	Mill Quality Loose	3000	3000	Unch
<b>Rajasthan</b>	Kota	Mill Quality	3000	4000	-1000
<b>U.P.</b>	Kanpur	Mill Quality Loose	11000	NR	-
	Mathura	Mill Quality Loose	300	150	150
	Kosi	Mill Quality Loose	600	600	Unch
	Hathras	Mill Quality Loose	50	30	20
	Aligarh	Mill Quality Loose	350	200	150
<b>Punjab</b>	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	600	500	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		28-Sep-16	27-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	522	Unch
Chakki Atta (50kg)		1025	1025	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: 27.9.2016					
Contract Month	Open	High	Low	Close	Change
<b>Dec-16</b>	397.25	405.00	394.00	404.00	8.00
<b>Mar-17</b>	421.00	427.25	416.75	426.00	6.25
<b>May-17</b>	434.50	440.25	430.75	439.50	5.75
<b>Jul-17</b>	444.75	449.25	440.50	448.50	5.00
<b>Sep-17</b>	457.75	462.50	454.75	462.50	5.00
<b>Dec-17</b>	476.25	481.00	473.50	481.00	5.00

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