

**Wheat Domestic Fundamentals:**

**All India average monthly price for wheat decreased by 2.23 percent** from Rs 1786.21 (in August) to Rs 1746.43 per qtl in September-2016 due to increasing fear of higher import volume and continuous sale from OMSS through auction. Better crop prospects for next year have weakened inner tone in the market. Average price (September) is higher by 7.33 percent from the price (Rs 1673.9 per qtl.) registered in September-2015. However, festive demand would continue to lend support to cash market fundamental and restrict market from any major decline.

**India imported around 61900 tonne wheat from Australia, Ukraine and France last week till 25th Sept-2016** at an average CIF of \$216.44 per tonne. Around 13000 tonne has been imported from Ukraine at an average CIF of \$190.87 per tonne, 32900 tonne of Australian wheat at an average CIF of \$231.38 per tonne and 16000 tonnes of French wheat at an average CIF of \$222.73 per tonne.

**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.

**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:**

**According to latest update by International Grains Council,** the production forecast has been increased by 4 million tons for crop year 2016-17. The production may touch 747 million tons against a forecast of 736 million tons for 2015-16. The difference is around 11 million tons. Higher projection for wheat may pressurize global wheat at current level and any major recovery from current level is unlikely.

**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.

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

Wheat Futures Contract: NCDEX Price								Date:05.10.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Oct	0	1753	1754	1742	1753	1610	160	6990	-1,440
16-Nov	-9	1768	1768	1753	1762	2030	1,420	3590	1,140
16-Dec	-	-	-	-	-	-	-	-	-

Spread	Oct -16	Nov-16	Dec-16	
Spot Narela				
16-Oct	-			
16-Nov		-9		
16-Dec			-	

Stocks	Demat	In- Process	Total	FED
	04.Sep.16	04.Sep.16	04.Sep.16	03.Sep.16
Delhi	342	0	342	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7898	0	7898	7898
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 05.10.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Oct-16	4-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1820	1820	Unch
	Narella	Mill Quality Loose	Closed	1725	-
	Nazafgarh	Mill Quality Loose	Closed	1735	-
Gujarat	Rajkot	Mill Delivery	1700	1700	Unch
	Ahmedabad	Mill Delivery	1860	1860	Unch
	Surat	Mill Delivery	1880	1880	Unch
	Dhrol	Mill Quality Loose	1800	1815	-15
M.P.	Indore	Mill Delivery	1700	1650	50
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1615	1615	Unch
		Mill Delivery	1710	1710	Unch
U.P.	Kanpur	Mill Delivery	1705	1715	-10
	Mathura	Mill Quality Loose	1610	1640	-30
	Kosi	Mill Quality Loose	1665	1675	-10
	Hathras	Mill Quality Loose	1700	NA	-
	Aligarh	Mill Quality Loose	1630	1620	10

<b>Punjab</b>	Khanna	Mill Quality Loose	1630	1630	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	1650	1650	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1715	1715	Unch
	Karnal	Mill Delivery	1660	1660	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	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1800	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
			5-Oct-16	4-Oct-16	
<b>Gujarat</b>	Rajkot	Lokwan	2000	2000	Unch
<b>M.P.</b>	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	Closed	2300	-
<b>Rajasthan</b>	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1725	1760	-35

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Oct-16	4-Oct-16	
<b>Delhi</b>	Lawrence Road	Mill Delivery	3000	3000	Unch
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	3	3	Unch
<b>M.P.</b>	Indore	Mill Quality Loose	1000	2000	-1000
<b>Rajasthan</b>	Kota	Mill Quality	2000	2000	Unch
<b>U.P.</b>	Kanpur	Mill Quality Loose	11000	10500	500
	Mathura	Mill Quality Loose	150	300	-150
	Kosi	Mill Quality Loose	500	600	-100
	Hathras	Mill Quality Loose	20	NA	-
	Aligarh	Mill Quality Loose	150	500	-350
<b>Punjab</b>	Khanna	Mill Quality Loose	300	300	Unch

	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	400	600	-200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		5-Oct-16	4-Oct-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)		525	525	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: 04.10.2016					
Contract Month	Open	High	Low	Close	Change
<b>Dec-16</b>	396.50	398.25	392.50	395.50	Unch
<b>Mar-17</b>	418.00	419.25	414.25	417.00	-0.25
<b>May-17</b>	430.00	432.75	428.00	430.25	-0.25
<b>Jul-17</b>	441.00	443.00	438.75	441.00	-0.25
<b>Sep-17</b>	455.00	457.25	454.75	456.00	0.25
<b>Dec-17</b>	475.00	477.75	474.75	476.50	0.25

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.