

Wheat Domestic Fundamentals:

As per latest update FCI has sold around 24.6 lakh tonnes wheat under OMSS during April to September. The bulk quantity has been purchased by private players under OMSS. The sales under OMSS rallied from June and are still continuing, wheat has been sold at Rs 1640 per quintal plus freight charges. Stock in central pool as on 1st September 2016, was 24.2 million tonnes. Given the average total consumption of around 17 million tonnes for the next seven months till March'17, stock in central pool might be around 7.3 million tonnes as on 1st April'17 which is equivalent to required norms.

Traders have bought around 400000 lakh tonnes of Ukraine-origin wheat after import duty was lowered from 25 percent to 10 percent. Most deals are made between \$192 and \$199 per tonne C&F for milling wheat with 11.5 percent protein. Indian buying of Ukraine-origin wheat has already pushed up prices as two weeks ago traders were paying \$192 per tonne.

According to latest update, export of wheat has increased compared to last week. In the week (26-02 October) the exports were around 256.55 metric tonnes compared to 184.6 metric tonnes in the week (19-25 September). The said quantity was exported at an average FOB of \$ 347.08 per tonne and the major destinations were UAE, Kenya, Sri Lanka and UK. Total export till 02nd Oct-2016 since 4th April was registered around 23390 tonne. Export window remained restricted due to disparity.

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.

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.

International Market Update:

GASC has purchased 480000 tonnes of Russian and Romanian wheat through tender after abolishing its zero-tolerance policy towards ergot. Louis Dreyfus offered 60000 tonnes at FOB \$181.7/tonne, ADM offered three cargoes each of 60000 tonnes at an average FOB of \$180.33/tonne, Union offered 60000 tonnes at FOB \$177.7/tonne, Aston offered 60000 tonnes at FOB \$183.5/tonne, Alegrow offered 60000 tonnes at FOB \$179.5/tonne and Venus offered 60000 tonnes at FOB \$181.45/tonne

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.

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:10.10.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Oct	-2	1749	1763	1746	1746	4910	3,190	780	-3,800
16-Nov	-5	1755	1762	1751	1754	2530	1,190	7510	2,080
16-Dec	0	1770	1770	1770	1770	0	0	50	0

Spread	Oct -16	Nov-16	Dec-16	
Spot Narela				
16-Oct	-31			
16-Nov		-8		
16-Dec			-16	

Stocks	Demat	In- Process	Total	FED
	08.Sep.16	08.Sep.16	08.Sep.16	03.Sep.16
Delhi	312	0	312	342
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7898	397	8295	7898
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 10

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Oct-16	8-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1830	1830	Unch
	Narella	Mill Quality Loose	1715	1720	-5
	Nazafgarh	Mill Quality Loose	1740	1730	10
Gujarat	Rajkot	Mill Delivery	1740	1730	10
	Ahmedabad	Mill Delivery	1880	1880	Unch
	Surat	Mill Delivery	1910	1900	10
	Dhrol	Mill Quality Loose	1890	1890	Unch
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1700	1700	Unch
Rajasthan	Kota	Mill Quality Loose	Closed	1615	-
		Mill Delivery	Closed	1710	-
U.P.	Kanpur	Mill Delivery	NR	1715	-
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1695	1680	15
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1600	1610	-10
Punjab	Khanna	Mill Quality Loose	1630	1635	-5

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1650	1645	5
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1725	1725	Unch
	Karnal	Mill Delivery	1700	1700	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2050	-
	Madurai	Mill Quality	Closed	2107	-
	Coimbatore	Mill Quality	Closed	2107	-
Bihar	Khagariya	Mill Delivery	1820	1820	Unch
	Muzaffarpur	Mill Delivery	1820	1820	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Oct-16	8-Oct-16	
Gujarat	Rajkot	Lokwan	2050	2025	25
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	Closed	2300	-
Rajasthan	Kota	LokwanBilty	Closed	1850	-
	Baran	Lokwan	1750	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Oct-16	8-Oct-16	
Delhi	Lawrence Road	Mill Delivery	3000	4000	-1000
	Narella	Mill Quality Loose	150	125	25
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	800	800	Unch
	Dhrol	Mill Quality Loose	9	9	Unch
M.P.	Indore	Mill Quality Loose	1000	600	400
Rajasthan	Kota	Mill Quality	Closed	2000	-
U.P.	Kanpur	Mill Quality Loose	NR	9500	-
	Mathura	Mill Quality Loose	150	70	80
	Kosi	Mill Quality Loose	400	500	-100
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	500	250	250
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	400	400	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		10-Oct-16	8-Oct-16	Change
Atta (50kg) Ordinary		975	975	Unch
Maida Grade 1 (50KG)		1330	1330	Unch
Suji (50kg)		1380	1380	Unch
Chokar (50 kg)		754	754	Unch
Chokar (34 kg)		531	531	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

.10.2016

Wheat (CBOT) Future Price: 08.10.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	-	-	-	-	-
Mar-17	-	-	-	-	-
May-17	-	-	-	-	-
Jul-17	-	-	-	-	-
Sep-17	-	-	-	-	-
Dec-17	-	-	-	-	-

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