

Wheat Domestic Fundamentals:

Rake loading from Kota region of Rajasthan to South India is being reported at Rs 1980 per qtl. despite smooth flow of imported wheat from various destination. Festive demand for wheat products has encouraged wheat price in Central and North India to some extent. The major price driver in cash market may be import flow, release from central pool stock and price trend at futures market. Agriwatch expects steady to slightly firm tone to continue.

India imported around 101804 tonne wheat from Australia, Ukraine and France last week till 08th Oct-2016 at an average CiF of \$221.26 per tonne. Around 43000 tonne has been imported from Ukraine at an average CIF of \$190.58 per tonne, 40880 tonne of Australian wheat at an average CIF of \$247.38 per tonne, 17750 tonnes of French wheat at an average CIF of \$207.84 per tonne and a small quantity of 373 tonnes has arrived from Moldova at an average CIF of \$228.59 per tonne.

According to latest update, export of wheat has increased compared to last week. In the week (03-08 October) the exports were around 472 metric tonnes compared to 256.55 metric tonnes in the week (26 Sept to 02 Oct). The said quantity was exported at an average FOB of \$ 339.20 per tonne and the major destinations were UAE, Kuwait, Somalia and Bahrain. Total export till 08th Oct-2016 since 4th April was registered around 23862 tonne. Export window remained restricted due to disparity.

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.

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 355000 tonnes of Russian and Romanian wheat through tender after abolishing its zero-tolerance policy towards ergot. Louis Dreyfus offered 60000 tonnes at FOB \$177.94/tonne, ADM offered two cargoes of 60000 tonnes and 55000 tonnes at an average FOB of \$179.99/tonne and \$182.19/tonne respectively, Aston offered 60000 tonnes at FOB \$182.5/tonne and Ameropa offered two cargoes of 60000 tonnes each at FOB \$182/tonne and FOB \$181/tonne.

Japan's Ministry of Agriculture has bought around 100140 tonnes of wheat from United States and Canada. Out of the total quantity around 72225 tonnes was bought from United States with a minimum protein content of 14 percent and around 27915 tonnes was bought from Canada with a minimum protein content of 13.5 percent. The shipments from US are expected to arrive by 31st January 2017, whereas loading from Canada will take place between 21st November and 20th December 2016.

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.

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

Wheat Futures Contract: NCDEX Price								Date: 14.10.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Oct	0	1719	1747	1715	1719	830	0	70	0
16-Nov	35	1750	1789	1745	1781	5330	4,210	8200	300
16-Dec	30	1768	1780	1768	1780	130	100	140	70

Spread	Oct -16	Nov-16	Dec-16	
Spot Narela				
16-Oct	31			
16-Nov		-62		
16-Dec			1	

Stocks	Demat	In- Process	Total	FED
	14.Sep.16	14.Sep.16	14.Sep.16	10.Sep.16
Delhi	312	0	312	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8345	0	8345	8346
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 15.10.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Oct-16	14-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1850	1830	20
	Narella	Mill Quality Loose	1750	1750	Unch
	Nazafgarh	Mill Quality Loose	1760	1770	-10
Gujarat	Rajkot	Mill Delivery	1760	1750	10
	Ahmedabad	Mill Delivery	1880	1880	Unch
	Surat	Mill Delivery	1910	1905	5
	Dhrol	Mill Quality Loose	2095	1970	125
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1720	1715	5
Rajasthan	Kota	Mill Quality Loose	1640	1625	15
		Mill Delivery	1730	1725	5
U.P.	Kanpur	Mill Delivery	1675	1675	Unch
	Mathura	Mill Quality Loose	1665	1640	25
	Kosi	Mill Quality Loose	1685	1680	5
	Hathras	Mill Quality Loose	NR	1700	-
	Aligarh	Mill Quality Loose	1610	1600	10
Punjab	Khanna	Mill Quality Loose	1620	1625	-5

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1650	1650	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1725	1725	Unch
	Karnal	Mill Delivery	1690	1690	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1850	1850	Unch
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Oct-16	14-Oct-16	
Gujarat	Rajkot	Lokwan	2050	2025	25
M.P.	Indore	Lokwan	2200	2100	100
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	LokwanBilty	1900	1900	Unch
	Baran	Lokwan	1800	1800	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Oct-16	14-Oct-16	
Delhi	Lawrence Road	Mill Delivery	2500	3500	-1000
	Narella	Mill Quality Loose	100	150	-50
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	1100	800	300
	Dhrol	Mill Quality Loose	12	165	-153
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	10500	10500	Unch
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	NR	150	-
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	200	300	-100
	(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	500	700	-200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		15-Oct-16	14-Oct-16	Change
Atta (50kg) Ordinary		975	975	Unch
Maida Grade 1 (50KG)		1330	1330	Unch
Suji (50kg)		1380	1380	Unch
Chokar (50 kg)		769	769	Unch
Chokar (34 kg)		540	540	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: 14.10.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	415.25	428.25	414.75	421.00	5.00
Mar-17	433.75	445.75	433.00	439.25	4.50
May-17	448.00	458.50	448.00	452.50	4.00
Jul-17	458.25	469.75	458.00	463.50	3.25
Sep-17	475.00	483.25	475.00	478.00	3.50
Dec-17	493.25	500.00	493.25	495.50	2.50

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