

Wheat Domestic Fundamentals:

Wheat WPI has increased slightly from 230.2 in August-2016 to 231.9 in September-2016. Wheat prices may rule steady to firm in the weeks ahead. Monthly wheat inflation increase is 6.96 %. It was 7.32 % in August-2016 and 3.93% in September 2015.

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.

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 to firm in the near term

Wheat Futures Contract: NCDEX Price								Date: 17.10.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Oct	0	1719	1719	1719	1719	830	0	70	0
16-Nov	-1	1782	1784	1772	1772	1690	-3,640	8690	490
16-Dec	12	1797	1800	1790	1790	320	190	360	220

Spread	Oct -16	Nov-16	Dec-16	
Spot Narela				
16-Oct	31			
16-Nov		-53		
16-Dec			-18	

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 17.10.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Oct-16	15-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1870	1850	20
	Narella	Mill Quality Loose	1750	1750	Unch
	Nazafgarh	Mill Quality Loose	1775	1760	15
Gujarat	Rajkot	Mill Delivery	1760	1760	Unch
	Ahmedabad	Mill Delivery	1890	1880	10
	Surat	Mill Delivery	1925	1910	15
	Dhrol	Mill Quality Loose	1970	2095	-125
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1750	1720	30
Rajasthan	Kota	Mill Quality Loose	1640	1640	Unch
		Mill Delivery	1730	1730	Unch
U.P.	Kanpur	Mill Delivery	1715	1675	40
	Mathura	Mill Quality Loose	1650	1665	-15
	Kosi	Mill Quality Loose	1680	1685	-5
	Hathras	Mill Quality Loose	1685	NR	-
	Aligarh	Mill Quality Loose	1610	1610	Unch
Punjab	Khanna	Mill Quality Loose	1630	1620	10

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1660	1650	10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1725	1725	Unch
	Karnal	Mill Delivery	1700	1690	10
	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	1800	1850	-50
	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
			17-Oct-16	15-Oct-16	
Gujarat	Rajkot	Lokwan	2025	2050	-25
M.P.	Indore	Lokwan	2200	2200	Unch
	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
			17-Oct-16	15-Oct-16	
Delhi	Lawrence Road	Mill Delivery	2500	2500	Unch
	Narella	Mill Quality Loose	150	100	50
	Nazafgarh	Mill Quality Loose	100	150	-50
Gujarat	Rajkot	Mill Quality Loose	1200	1100	100
	Dhrol	Mill Quality Loose	275	12	263
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	8000	3000	5000
U.P.	Kanpur	Mill Quality Loose	8500	10500	-2000
	Mathura	Mill Quality Loose	250	100	150
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	NA	NR	-
	Aligarh	Mill Quality Loose	500	300	200
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(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	500	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	17-Oct-16	15-Oct-16	Change
Atta (50kg) Ordinary	975	975	Unch
Maida Grade 1 (50KG)	1365	1330	35
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	1075	1050	25
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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