

Wheat Domestic Fundamentals:

According to latest update, export of wheat has increased compared to last week. In the week (09-16 October) the exports were around 835.06 metric tonnes compared to 472 metric tonnes in the week (03-08 October). The said quantity was exported at an average FOB of \$ 386 per tonne and the major destinations were UAE, Sri Lanka, Somalia and Jordan. Total export till 16th Oct-2016 since 4th April was registered around 24697 tonne. Export window remained restricted due to disparity.

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.

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:

The Saudi Arabia Grain Organization has purchased 595000 tonnes wheat through tender. The said quantity will arrive at three different ports. Around 360000 tonnes will arrive at Jeddah port, 180000 tonnes at Dammam and the remaining 55000 tonnes at Jazan port. In its last tender on 15th August'16 SAGO purchased 640000 tonnes of hard wheat. Saudi Arabia abandoned plans of self sufficiency in 2008 as farming in desert reduced scarce water resources and became a major importer of hard and soft wheat.

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.

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

| Wheat Futures Contract: NCDEX Price | | | | | | | Date:19.10.2016 | | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 16-Nov | +11 | 1795 | 1807 | 1792 | 1805 | 2670 | -20 | 9840 | 440 |
| 16-Dec | +14 | 1801 | 1815 | 1794 | 1815 | 150 | -120 | 610 | 60 |
| 17-Jan | - | 1808 | 1808 | 1808 | 1808 | - | - | - | - |

| Spread | Nov-16 | Dec-16 | Jan-17 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 16-Nov | -55 | | | |
| 16-Dec | | -10 | | |
| 17-Jan | | | 7 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 18.Sep.16 | 18.Sep.16 | 18.Sep.16 | 17.Sep.16 |
| Delhi | 312 | 0 | 312 | 312 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 8345 | 0 | 8345 | 8346 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 19.10.2016

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
| | | | 19-Oct-16 | 18-Oct-16 | |
| Delhi | Lawrence Road | Mill Delivery | 1900 | 1870 | 30 |
| | Narella | Mill Quality Loose | Closed | 1750 | - |
| | Nazafgarh | Mill Quality Loose | Closed | NR | - |
| Gujarat | Rajkot | Mill Delivery | 1760 | 1755 | 5 |
| | Ahmedabad | Mill Delivery | 1880 | 1880 | Unch |
| | Surat | Mill Delivery | 1935 | 1925 | 10 |
| | Dhrol | Mill Quality Loose | 1825 | 1920 | -95 |
| M.P. | Indore | Mill Delivery | 1750 | 1750 | Unch |
| | Bhopal | Mill Quality Loose | 1750 | 1725 | 25 |
| Rajasthan | Kota | Mill Quality Loose | 1640 | 1640 | Unch |
| | | Mill Delivery | 1730 | 1730 | Unch |
| U.P. | Kanpur | Mill Delivery | 1735 | 1715 | 20 |
| | Mathura | Mill Quality Loose | 1715 | 1680 | 35 |
| | Kosi | Mill Quality Loose | 1735 | 1685 | 50 |
| | Hathras | Mill Quality Loose | 1690 | 1680 | 10 |
| | Aligarh | Mill Quality Loose | 1640 | 1610 | 30 |
| Punjab | Khanna | Mill Quality Loose | 1650 | 1630 | 20 |

| | | | | | |
|------------|-------------------------------|---------------------|------|------|------|
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1680 | 1660 | 20 |
| | Hodal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 1740 | 1735 | 5 |
| | Karnal | Mill Delivery | 1725 | 1725 | 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 | 1800 | 1800 | 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 |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 19-Oct-16 | 18-Oct-16 | |
| Gujarat | Rajkot | Lokwan | 2050 | 2050 | Unch |
| M.P. | Indore | Lokwan | 2200 | 2200 | Unch |
| | Bhopal | Lokwan | 1900 | 1900 | Unch |
| | Bina | Sarbati 306 | Closed | 2200 | - |
| Rajasthan | Kota | Lokwan Bilty | 1900 | 1900 | Unch |
| | Baran | Lokwan | 1850 | 1850 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 19-Oct-16 | 18-Oct-16 | |
| Delhi | Lawrence Road | Mill Delivery | 2000 | 2500 | -500 |
| | Narella | Mill Quality Loose | Closed | 100 | - |
| | Nazafgarh | Mill Quality Loose | Closed | NR | - |
| Gujarat | Rajkot | Mill Quality Loose | 900 | 1000 | -100 |
| | Dhrol | Mill Quality Loose | 445 | 30 | 415 |
| M.P. | Indore | Mill Quality Loose | 2000 | 1500 | 500 |
| Rajasthan | Kota | Mill Quality | 6000 | 6000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 10500 | 8500 | 2000 |
| | Mathura | Mill Quality Loose | 350 | 250 | 100 |
| | Kosi | Mill Quality Loose | 400 | 400 | Unch |
| | Hathras | Mill Quality Loose | 50 | NA | - |
| | Aligarh | Mill Quality Loose | 250 | 630 | -380 |
| Punjab | Khanna | Mill Quality Loose | 200 | 200 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |

| | | | | | |
|----------------|---------|--------------------|-----|-----|------|
| Haryana | Sirsa | Mill Quality Loose | 200 | 100 | 100 |
| | 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 | | 19-Oct-16 | 18-Oct-16 | Change |
|------------------------------|--|-----------|-----------|--------|
| Atta (50kg) Ordinary | | 985 | 975 | 10 |
| Maida Grade 1 (50KG) | | 1385 | 1375 | 10 |
| Suji (50kg) | | 1400 | 1390 | 10 |
| Chokar (50 kg) | | 769 | 769 | Unch |
| Chokar (34 kg) | | 540 | 540 | Unch |
| Chakki Atta (50kg) | | 1045 | 1035 | 10 |
| Chakki Atta (50kg) Special | | 1095 | 1085 | 10 |
| Chakki Atta (90kg) Superfine | | 1970 | 1960 | 10 |
| Chakki Atta (50kg) Superfine | | 1080 | 1070 | 10 |

| Wheat (CBOT) Future Price: 18.10.2016 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| Dec-16 | 425.00 | 425.50 | 418.25 | 420.00 | -3.75 |
| Mar-17 | 442.50 | 443.75 | 436.75 | 440.00 | -2.00 |
| May-17 | 456.50 | 457.00 | 450.00 | 454.00 | -1.75 |
| Jul-17 | 467.25 | 468.50 | 461.25 | 465.50 | -1.50 |
| Sep-17 | 480.00 | 482.50 | 476.50 | 479.75 | -2.00 |
| Dec-17 | 497.00 | 499.25 | 493.75 | 496.50 | -2.25 |

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