

Wheat Domestic Fundamentals:

India imported around 90762 tonne wheat from Australia, Ukraine and Bulgaria last week till 16th Oct-2016 at an average CIF of \$214.40 per tonne. Around 74000 tonne has been imported from Ukraine at an average CIF of \$191.57 per tonne, 16250 tonne of Australian wheat at an average CIF of \$244.39 per tonne and a small quantity of 512 tonnes has arrived from Bulgaria at an average CIF of \$202.81 per tonne.

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.

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:20.10.2016		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	+16	1805	1830	1805	1822	6820	4,150	9740	-100
16-Dec	+33	33	1826	1848	1820	260	110	600	-10
17-Jan	0	1808	1808	1808	1808	0	0	0	0

Spread	Nov-16	Dec-16	Jan-17	
Spot Narela				
16-Nov	-72			
16-Dec		2		
17-Jan			12	

Stocks	Demat	In- Process	Total	FED
	19.Sep.16	19.Sep.16	19.Sep.16	17.Sep.16
Delhi	312	0	312	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8345	0	8345	8346
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 20.10.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Oct-16	19-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1900	1900	Unch
	Narella	Mill Quality Loose	1750	Closed	-
	Nazafgarh	Mill Quality Loose	1800	Closed	-
Gujarat	Rajkot	Mill Delivery	1765	1760	5
	Ahmedabad	Mill Delivery	1890	1880	10
	Surat	Mill Delivery	1940	1935	5
	Dhrol	Mill Quality Loose	1920	1825	95
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1665	1640	25
		Mill Delivery	1755	1730	25
U.P.	Kanpur	Mill Delivery	1755	1735	20
	Mathura	Mill Quality Loose	1715	1715	Unch
	Kosi	Mill Quality Loose	1755	1735	20
	Hathras	Mill Quality Loose	1690	1690	Unch
	Aligarh	Mill Quality Loose	1650	1640	10
Punjab	Khanna	Mill Quality Loose	1620	1650	-30

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1685	1680	5
	Hodal	Mill Delivery	1900	NA	-
	Bhiwani	Mill Quality Loose	1805	1740	65
	Karnal	Mill Delivery	1725	1725	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2125	2100	25
	Madurai	Mill Quality	2182	2157	25
	Coimbatore	Mill Quality	2182	2157	25
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
			20-Oct-16	19-Oct-16	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2425	Closed	-
Rajasthan	Kota	Lokwan Bilty	1925	1900	25
	Baran	Lokwan	1775	1850	-75

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Oct-16	19-Oct-16	
Delhi	Lawrence Road	Mill Delivery	2500	2000	500
	Narella	Mill Quality Loose	150	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1100	900	200
	Dhrol	Mill Quality Loose	25	445	-420
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	6000	6000	Unch
U.P.	Kanpur	Mill Quality Loose	9500	10500	-1000
	Mathura	Mill Quality Loose	200	350	-150
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	50	50	Unch
	Aligarh	Mill Quality Loose	300	250	50
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	20	NA	-
	Bhiwani	Mill Quality Loose	800	500	300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		20-Oct-16	19-Oct-16	Change
Atta (50kg) Ordinary		1005	985	20
Maida Grade 1 (50KG)		1385	1385	Unch
Suji (50kg)		1400	1400	Unch
Chokar (50 kg)		804	769	35
Chokar (34 kg)		561	540	21
Chakki Atta (50kg)		1045	1045	Unch
Chakki Atta (50kg) Special		1095	1095	Unch
Chakki Atta (90kg) Superfine		1970	1970	Unch
Chakki Atta (50kg) Superfine		1080	1080	Unch

Wheat (CBOT) Future Price: 19.10.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	420.50	422.25	413.00	420.25	0.25
Mar-17	440.25	442.50	433.00	440.75	0.75
May-17	453.75	456.00	447.25	455.25	1.25
Jul-17	465.50	467.25	458.50	467.00	1.50
Sep-17	479.75	481.25	474.75	481.00	1.25
Dec-17	496.50	498.50	490.75	497.50	1.00

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