

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:

GASC has purchased 120000 tonnes of Russian wheat through tender after abolishing its zero-tolerance policy towards ergot. Cargill offered 60000 tonnes at FOB \$177.55/tonne and ECPT offered 60000 tonnes each at FOB \$179.85/tonne.

China has decided to keep its state wheat purchase price same for 2017. This is mainly done in order to protect local farmers. According to National development and Reform Commission (NDRC), the government's minimum purchase price will be 2360 Yuan or \$349.18 per tonne.

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.

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:21.10.2016	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	+14	1825	1842	1825	1841	3340	-3,480	-	-
16-Dec	+22	1850	1868	1843	1865	610	+350	-	-
17-Jan	-	1843	1843	1843	1843	-	-	-	-

Spread	Nov-16	Dec-16	Jan-17	
Spot Narella				
16-Nov	-41			
16-Dec		-24		
17-Jan			22	

Stocks	Demat	In- Process	Total	FED
	20.Sep.16	20.Sep.16	20.Sep.16	17.Sep.16
Delhi	312	0	312	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8375	0	8375	8346
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 21.10.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Oct-16	20-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1925	1900	25
	Narella	Mill Quality Loose	1800	1750	50
	Nazafgarh	Mill Quality Loose	1840	1800	40
Gujarat	Rajkot	Mill Delivery	1770	1765	5
	Ahmedabad	Mill Delivery	1900	1890	10
	Surat	Mill Delivery	1950	1940	10
	Dhrol	Mill Quality Loose	1905	1920	-15
M.P.	Indore	Mill Delivery	1850	1800	50
	Bhopal	Mill Quality Loose	1775	1750	25
Rajasthan	Kota	Mill Quality Loose	1670	1665	5
		Mill Delivery	1760	1755	5
U.P.	Kanpur	Mill Delivery	1725	1755	-30
	Mathura	Mill Quality Loose	1700	1715	-15
	Kosi	Mill Quality Loose	1745	1755	-10
	Hathras	Mill Quality Loose	NR	1690	-
	Aligarh	Mill Quality Loose	1680	1650	30
Punjab	Khanna	Mill Quality Loose	1630	1620	10

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1715	1685	30
	Hodal	Mill Delivery	1900	1900	Unch
	Bhiwani	Mill Quality Loose	1800	1805	-5
	Karnal	Mill Delivery	1725	1725	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2125	2125	Unch
	Madurai	Mill Quality	2182	2182	Unch
	Coimbatore	Mill Quality	2182	2182	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
			21-Oct-16	20-Oct-16	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2400	2425	-25
Rajasthan	Kota	LokwanBilty	1925	1925	Unch
	Baran	Lokwan	1850	1775	75

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Oct-16	20-Oct-16	
Delhi	Lawrence Road	Mill Delivery	2000	2500	-500
	Narella	Mill Quality Loose	400	150	250
	Nazafgarh	Mill Quality Loose	40	150	-110
Gujarat	Rajkot	Mill Quality Loose	900	1100	-200
	Dhrol	Mill Quality Loose	155	25	130
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	4000	6000	-2000
U.P.	Kanpur	Mill Quality Loose	11000	9500	1500
	Mathura	Mill Quality Loose	200	200	Unch
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	NR	50	-
	Aligarh	Mill Quality Loose	300	300	Unch
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	20	Unch
	Bhiwani	Mill Quality Loose	700	800	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		21-Oct-16	20-Oct-16	Change
Atta (50kg) Ordinary		1005	1005	Unch
Maida Grade 1 (50KG)		1385	1385	Unch
Suji (50kg)		1400	1400	Unch
Chokar (50 kg)		809	804	5
Chokar (34 kg)		564	561	3
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: 20.10.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	419.50	422.75	415.25	417.00	-3.25
Mar-17	440.00	442.75	436.00	437.50	-3.25
May-17	456.25	456.75	451.00	452.75	-2.50
Jul-17	466.25	469.25	463.25	465.00	-2.00
Sep-17	482.00	483.25	478.00	479.50	-1.50
Dec-17	497.00	500.00	494.25	495.75	-1.75

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