

Wheat Domestic Fundamentals:

All India weekly average prices increased by 1.29 percent to Rs. 1825.66 per quintal during the week ended 23rd October 2016. Wheat average price were ruling at Rs 1802.44 per quintal during 09-15th October 2016. As compared to prices in the week 16-23rd October 2015, the prices are firm by 1.30 percent. Prices have become firm on account of festive demand.

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:24.10.2016	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	+31	1845	1871	1824	1871	6610	3,270	10710	-
16-Dec	+34	1858	1897	1856	1897	870	260	1190	-
17-Jan	+27	1863	1890	1890	1890	30	30	30	-

Spread	Nov-16	Dec-16	Jan-17	
Spot Narela				
16-Nov	-41			
16-Dec		-26		
17-Jan			7	

Stocks	Demat	In- Process	Total	FED
	22.Sep.16	22.Sep.16	22.Sep.16	17.Sep.16
Delhi	312	0	312	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8424	148	8572	8346
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 24.10.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Oct-16	22-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1935	1940	-5
	Narella	Mill Quality Loose	1830	1815	15
	Nazafgarh	Mill Quality Loose	1850	1840	10
Gujarat	Rajkot	Mill Delivery	1790	1775	15
	Ahmedabad	Mill Delivery	1940	1910	30
	Surat	Mill Delivery	1980	1960	20
	Dhrol	Mill Quality Loose	2135	2170	-35
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1750	1775	-25
Rajasthan	Kota	Mill Quality Loose	1700	1670	30
		Mill Delivery	1790	1760	30
U.P.	Kanpur	Mill Delivery	1750	1790	-40
	Mathura	Mill Quality Loose	1760	1760	Unch
	Kosi	Mill Quality Loose	1755	1745	10
	Hathras	Mill Quality Loose	1710	NR	-
	Aligarh	Mill Quality Loose	1750	1675	75
Punjab	Khanna	Mill Quality Loose	1630	1635	-5

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1740	1710	30
	Hodal	Mill Delivery	1955	1960	-5
	Bhiwani	Mill Quality Loose	1800	1800	Unch
	Karnal	Mill Delivery	1740	1725	15
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2165	2125	40
	Madurai	Mill Quality	2222	2182	40
	Coimbatore	Mill Quality	2222	2182	40
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1835	1820	15
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Oct-16	22-Oct-16	
Gujarat	Rajkot	Lokwan	2075	2050	25
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1850	1900	-50
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	LokwanBilty	1965	1925	40
	Baran	Lokwan	1850	1850	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Oct-16	22-Oct-16	
Delhi	Lawrence Road	Mill Delivery	3000	2500	500
	Narella	Mill Quality Loose	300	350	-50
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	1100	800	300
	Dhrol	Mill Quality Loose	185	40	145
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	6000	4000	2000
U.P.	Kanpur	Mill Quality Loose	10500	7225	3275
	Mathura	Mill Quality Loose	150	200	-50
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	50	NR	-
	Aligarh	Mill Quality Loose	250	700	-450
Punjab	Khanna	Mill Quality Loose	200	300	-100
	(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	700	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		24-Oct-16	22-Oct-16	Change
Atta (50kg) Ordinary		1015	1015	Unch
Maida Grade 1 (50KG)		1395	1395	Unch
Suji (50kg)		1410	1410	Unch
Chokar (50 kg)		809	819	-10
Chokar (34 kg)		564	574	-10
Chakki Atta (50kg)		1055	1055	Unch
Chakki Atta (50kg) Special		1105	1105	Unch
Chakki Atta (90kg) Superfine		1980	1980	Unch
Chakki Atta (50kg) Superfine		1090	1090	Unch

Wheat (CBOT) Future Price: 21.10.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	417.0	418.50	413.25	414.50	-2.50
Mar-17	437.5	438.25	433.75	435.00	-2.50
May-17	452.5	453.25	448.50	450.50	-2.25
Jul-17	464.0	465.00	460.50	462.50	-2.50
Sep-17	478.3	478.75	475.75	477.00	-2.50
Dec-17	496.3	496.25	491.25	493.50	-2.25

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