

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:

After a record crop in 2015, Japan's wheat production is expected to drop significantly due to non conducive weather conditions. Around 65 percent of Japan's wheat is grown in Hokkaido area which has been negatively affected by heavy rains. As a result yield estimates are revised down and total production is expected to fall by around 25 percent.

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.

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

Wheat Futures Contract: NCDEX Price							Date:25.10.2016		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	+31	1874	1903	1869	1901	5130	-1,480	11410	+700
16-Dec	+33	1901	1929	1901	1928	1840	+970	1960	+770
17-Jan	+43	1944	1944	1933	1933	40	+10	50	-

Spread	Nov-16	Dec-16	Jan-17	
Spot Narela				
16-Nov	-76			
16-Dec		-27		
17-Jan			-5	

Stocks	Demat	In- Process	Total	FED
	24.Sep.16	24.Sep.16	24.Sep.16	24.Sep.16
Delhi	312	0	312	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8573	296	8869	8574
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 25.10.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Oct-16	24-Oct-16	
Delhi	Lawrence Road	Mill Delivery	1960	1935	25
	Narella	Mill Quality Loose	1825	1830	-5
	Nazafgarh	Mill Quality Loose	1875	1850	25
Gujarat	Rajkot	Mill Delivery	1820	1790	30
	Ahmedabad	Mill Delivery	1950	1940	10
	Surat	Mill Delivery	1990	1980	10
	Dhrol	Mill Quality Loose	1900	2135	-235
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1720	1700	20
		Mill Delivery	1810	1790	20
U.P.	Kanpur	Mill Delivery	1725	1750	-25
	Mathura	Mill Quality Loose	1785	1760	25
	Kosi	Mill Quality Loose	1810	1755	55
	Hathras	Mill Quality Loose	1710	1710	Unch
	Aligarh	Mill Quality Loose	1750	1750	Unch
Punjab	Khanna	Mill Quality Loose	1640	1630	10

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1740	10
	Hodal	Mill Delivery	1955	1955	Unch
	Bhiwani	Mill Quality Loose	1800	1800	Unch
	Karnal	Mill Delivery	1740	1740	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2185	2165	20
	Madurai	Mill Quality	2242	2222	20
	Coimbatore	Mill Quality	2242	2222	20
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1825	1835	-10
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Oct-16	24-Oct-16	
Gujarat	Rajkot	Lokwan	2100	2075	25
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1850	1850	Unch
	Bina	Sarbati 306	2500	2400	100
Rajasthan	Kota	LokwanBilty	1985	1965	20
	Baran	Lokwan	1850	1850	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Oct-16	24-Oct-16	
Delhi	Lawrence Road	Mill Delivery	3500	3000	500
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	100	200	-100
Gujarat	Rajkot	Mill Quality Loose	1000	1100	-100
	Dhrol	Mill Quality Loose	71	185	-114
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	5000	6000	-1000
U.P.	Kanpur	Mill Quality Loose	10700	10500	200
	Mathura	Mill Quality Loose	200	150	50
	Kosi	Mill Quality Loose	400	500	-100
	Hathras	Mill Quality Loose	50	50	Unch
	Aligarh	Mill Quality Loose	250	250	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	30	20	10
	Bhiwani	Mill Quality Loose	300	700	-400
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		25-Oct-16	24-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	809	Unch
Chokar (34 kg)		564	564	Unch
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: 24.10.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	414.25	416.75	400.75	402.50	-12.00
Mar-17	435.00	437.75	422.75	424.50	-10.50
May-17	450.00	453.25	438.75	441.00	-9.50
Jul-17	461.75	465.25	451.00	453.25	-9.25
Sep-17	479.00	479.25	465.75	467.75	-9.25
Dec-17	491.50	496.00	481.75	484.25	-9.25

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