

**Wheat Domestic Fundamentals:**

**According to latest update, export of wheat has decreased compared to last week.** In the week (17-23 October) the exports were around 799 metric tonnes compared to 835.06 metric tonnes in the week (09-16 October). The said quantity was exported at an average FOB of \$ 365.57 per tonne and the major destinations were UAE, Sri Lanka, Somalia and Jordan. Total export till 23rd Oct-2016 since 4th April was registered around 25496 tonne. Export window remained restricted due to disparity.

**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.

**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 420000 tonnes of Russian and Romanian wheat** through tender after abolishing its zero-tolerance policy towards ergot. Louis Dreyfus offered 60000 tonnes at FOB \$182.74/tonne, Cargill offered 60000 tonnes at FOB of \$183.25/tonne, Ameropa offered 120000 tonnes at FOB \$185.93/tonne, Alegrow offered 60000 tonnes at FOB \$184/tonne, ADM offered 60000 tonnes at FOB \$184.25/tonne and Aston offered 60000 tonnes at FOB \$184/tonne. Of the total quantity purchased 180000 tonnes is of Russian origin and remaining 240000 tonnes is of Romanian origin.

**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.

**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.

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

Wheat Futures Contract: NCDEX Price								Date:27.10.2016	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	+21	1937	1961	1900	1958	12220	5,030	10610	-1,100
16-Dec	+21	1960	1980	1930	1977	5920	4,030	5130	2,440
17-Jan	-5	1977	1982	1943	1953	230	170	170	100

Spread	Nov-16	Dec-16	Jan-17	
Spot Narela				
16-Nov	-108			
16-Dec		-19		
17-Jan			24	

Stocks	Demat	In- Process	Total	FED
	26.Sep.16	26.Sep.16	26.Sep.16	24.Sep.16
Delhi	312	0	312	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8869	197	9066	8574
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 27.10.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Oct-16	26-Oct-16	
Delhi	Lawrence Road	Mill Delivery	2015	1980	35
	Narella	Mill Quality Loose	1850	Closed	-
	Nazafgarh	Mill Quality Loose	1900	Closed	-
Gujarat	Rajkot	Mill Delivery	1820	1820	Unch
	Ahmedabad	Mill Delivery	1950	1920	30
	Surat	Mill Delivery	1980	1980	Unch
	Dhrol	Mill Quality Loose	NR	1945	-
M.P.	Indore	Mill Delivery	1800	1850	-50
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1750	1725	25
		Mill Delivery	1810	1800	10
U.P.	Kanpur	Mill Delivery	1725	1740	-15
	Mathura	Mill Quality Loose	1805	1780	25
	Kosi	Mill Quality Loose	1825	1815	10
	Hathras	Mill Quality Loose	1715	1715	Unch
	Aligarh	Mill Quality Loose	1730	1740	-10
Punjab	Khanna	Mill Quality Loose	1650	1650	Unch

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1810	1790	20
	Hodal	Mill Delivery	1955	1955	Unch
	Bhiwani	Mill Quality Loose	1860	1860	Unch
	Karnal	Mill Delivery	1790	1770	20
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2200	2200	Unch
	Madurai	Mill Quality	2257	2257	Unch
	Coimbatore	Mill Quality	2257	2257	Unch
Bihar	Khagariya	Mill Delivery	1850	1900	-50
	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
			27-Oct-16	26-Oct-16	
Gujarat	Rajkot	Lokwan	2100	2050	50
M.P.	Indore	Lokwan	2300	2200	100
	Bhopal	Lokwan	2000	1850	150
	Bina	Sarbati 306	2400	Closed	-
Rajasthan	Kota	LokwanBilty	1900	1900	Unch
	Baran	Lokwan	1850	1850	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Oct-16	26-Oct-16	
Delhi	Lawrence Road	Mill Delivery	2500	3000	-500
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	700	-100
	Dhrol	Mill Quality Loose	NR	435	-
M.P.	Indore	Mill Quality Loose	1000	1500	-500
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	12000	10500	1500
	Mathura	Mill Quality Loose	150	200	-50
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	50	50	Unch
	Aligarh	Mill Quality Loose	700	150	550
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

<b>Haryana</b>	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	50	30	20
	Bhiwani	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		27-Oct-16	26-Oct-16	Change
Atta (50kg) Ordinary		1050	1015	35
Maida Grade 1 (50KG)		1395	1395	Unch
Suji (50kg)		1445	1410	35
Chokar (50 kg)		824	819	5
Chokar (34 kg)		573	570	3
Chakki Atta (50kg)		1090	1100	-10
Chakki Atta (50kg) Special		1120	1105	15
Chakki Atta (90kg) Superfine		1978	1980	-2
Chakki Atta (50kg) Superfine		1080	1090	-10

Wheat (CBOT) Future Price: 26.10.2016					
Contract Month	Open	High	Low	Close	Change
<b>Dec-16</b>	404.00	414.00	402.75	411.50	7.25
<b>Mar-17</b>	426.50	434.50	424.50	432.00	5.25
<b>May-17</b>	441.50	449.50	440.00	447.25	4.50
<b>Jul-17</b>	454.75	462.50	452.75	460.50	4.75
<b>Sep-17</b>	471.00	476.00	469.25	476.00	5.25
<b>Dec-17</b>	487.00	493.75	485.25	493.25	5.75

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