

Wheat Domestic Fundamentals:

India imported around 92072 tonne wheat from Australia, Ukraine and France last week till 23rd Oct-2016 at an average CIF of \$232.03 per tonne. Around 48387 tonne has been imported from Australia at an average CIF of \$243.58 per tonne, 42685 tonne of Ukraine wheat at an average CIF of \$189.56 per tonne and a small quantity of 1000 tonnes has arrived from France at an average CIF of \$242.72 per tonne.

Wheat stock in government godowns has fallen to a nine-year low of 21.66 million tonnes as on 1st October, which is close to the buffer-cum-strategic reserve norm of 20.52 million tonnes for the same date. This insecure position is however offset by ample global supplies and prospect for a good Rabi crop on account of recharged soil moisture from decent monsoon rains.

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.

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.

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:

According to latest update by International Grains Council, the production forecast has been increased by 1 million tons for crop year 2016-17. The production may touch 748 million tons against a forecast of 737 million tons for 2015-16. The difference is around 11 million tons. Higher projection for wheat may pressurize global wheat at current level and any major recovery from current level is unlikely.

According to Kazakh statistics committee, stocks of wheat have increased by 8 percent to 11.74 MMT compared to 2015. This included 10.42 MMT of milling wheat, 596.5 KMT of feed wheat and 724.6 KMT for seeds. Furthermore milling wheat export prices have also strengthened for Kazakh on account of increased demand from exporters, strong national currency and increase in milling wheat prices in black sea region. Therefore in the past week 12.5% wheat export prices increased by US \$8-10 to US \$172-178/MT FoB Aktau port.

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:28.10.2016 | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 16-Nov | +10 | 1967 | 1983 | 1956 | 1970 | 9690 | -2,530 | 11040 | 430 |
| 16-Dec | 0 | 1990 | 1990 | 1975 | 1977 | 2860 | -3,060 | 6320 | 1,190 |
| 17-Jan | +8 | 1965 | 1970 | 1965 | 1970 | 260 | 30 | 420 | 250 |

| Spread | Nov-16 | Dec-16 | Jan-17 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 16-Nov | -120 | | | |
| 16-Dec | | -7 | | |
| 17-Jan | | | 7 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 28.Sep.16 | 28.Sep.16 | 28.Sep.16 | 24.Sep.16 |
| Delhi | - | - | - | 312 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 4032 | 98 | 4130 | 8574 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 31.10.2016

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
| | | | 31-Oct-16 | 28-Oct-16 | |
| Delhi | Lawrence Road | Mill Delivery | Closed | 2080 | - |
| | Narella | Mill Quality Loose | Closed | 1850 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 1950 | - |
| Gujarat | Rajkot | Mill Delivery | Closed | 1815 | - |
| | Ahmedabad | Mill Delivery | Closed | 1950 | - |
| | Surat | Mill Delivery | Closed | 1980 | - |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Delivery | Closed | 1800 | - |
| | Bhopal | Mill Quality Loose | Closed | 1750 | - |
| Rajasthan | Kota | Mill Quality Loose | Closed | Closed | - |
| | | Mill Delivery | Closed | Closed | - |
| U.P. | Kanpur | Mill Delivery | 1740 | 1745 | -5 |
| | Mathura | Mill Quality Loose | Closed | 1852 | - |
| | Kosi | Mill Quality Loose | Closed | 1915 | - |
| | Hathras | Mill Quality Loose | Closed | NR | - |
| | Aligarh | Mill Quality Loose | Closed | 1750 | - |
| Punjab | Khanna | Mill Quality Loose | Closed | 1700 | - |

| | | | | | |
|------------|-------------------------------|---------------------|--------|--------|-----|
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | Closed | 1900 | - |
| | Hodal | Mill Delivery | Closed | 2005 | - |
| | Bhiwani | Mill Quality Loose | Closed | 1800 | - |
| | Karnal | Mill Delivery | 1900 | 1850 | 50 |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | Closed | Closed | - |
| | Madurai | Mill Quality | Closed | Closed | - |
| | Coimbatore | Mill Quality | Closed | Closed | - |
| Bihar | Khagariya | Mill Delivery | 1800 | 1850 | -50 |
| | Muzaffarpur | Mill Delivery | 1850 | 1840 | 10 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | Closed | NR | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | Closed | NR | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|-----------|--------|
| | | | 31-Oct-16 | 28-Oct-16 | |
| Gujarat | Rajkot | Lokwan | Closed | 2050 | - |
| M.P. | Indore | Lokwan | Closed | 2300 | - |
| | Bhopal | Lokwan | Closed | 2000 | - |
| | Bina | Sarbati 306 | Closed | Closed | - |
| Rajasthan | Kota | LokwanBilty | Closed | Closed | - |
| | Baran | Lokwan | Closed | Closed | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 31-Oct-16 | 28-Oct-16 | |
| Delhi | Lawrence Road | Mill Delivery | Closed | 3000 | - |
| | Narella | Mill Quality Loose | Closed | 200 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 100 | - |
| Gujarat | Rajkot | Mill Quality Loose | Closed | 450 | - |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Quality Loose | Closed | 1000 | - |
| Rajasthan | Kota | Mill Quality | Closed | Closed | - |
| U.P. | Kanpur | Mill Quality Loose | 10500 | 11500 | -1000 |
| | Mathura | Mill Quality Loose | Closed | 400 | - |
| | Kosi | Mill Quality Loose | Closed | 400 | - |
| | Hathras | Mill Quality Loose | Closed | NR | - |
| | Aligarh | Mill Quality Loose | Closed | 732 | - |
| Punjab | Khanna | Mill Quality Loose | Closed | 300 | - |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |

| | | | | | |
|----------------|---------|--------------------|--------|-----|---|
| Haryana | Sirsa | Mill Quality Loose | Closed | 100 | - |
| | Hodal | Mill Quality Loose | Closed | 50 | - |
| | Bhiwani | Mill Quality Loose | Closed | 200 | - |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | | 31-Oct-16 | 28-Oct-16 | Change |
|------------------------------|--|------------------|------------------|---------------|
| Atta (50kg) Ordinary | | Closed | 1065 | - |
| Maida Grade 1 (50KG) | | Closed | 1410 | - |
| Suji (50kg) | | Closed | 1460 | - |
| Chokar (50 kg) | | Closed | 839 | - |
| Chokar (34 kg) | | Closed | 588 | - |
| Chakki Atta (50kg) | | Closed | 1105 | - |
| Chakki Atta (50kg) Special | | Closed | 1135 | - |
| Chakki Atta (90kg) Superfine | | Closed | 1993 | - |
| Chakki Atta (50kg) Superfine | | Closed | 1095 | - |

| Wheat (CBOT) Future Price: 28.10.2016 | | | | | |
|--|-------------|-------------|------------|--------------|---------------|
| Contract Month | Open | High | Low | Close | Change |
| Dec-16 | 411.50 | 418.75 | 411.25 | 414.50 | 3.00 |
| Mar-17 | 432.00 | 437.75 | 431.25 | 433.50 | 1.50 |
| May-17 | 449.50 | 452.75 | 446.00 | 448.75 | 1.50 |
| Jul-17 | 460.50 | 466.25 | 459.50 | 462.50 | 2.00 |
| Sep-17 | 477.00 | 481.00 | 475.50 | 478.25 | 2.25 |
| Dec-17 | 493.50 | 498.00 | 492.75 | 496.00 | 2.75 |

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