

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 Ukrainian official statistics, wheat stocks are down by 16 percent to 14.48 MMT as on 1st October'16 compared to 17.18 MMT for tons for the same date last year. Wheat stocks are down on account of higher exports in the current season. In the months (July-September) of 2016/17 wheat exports were 13 percent (6.18 MMT) higher compared to the same period for 2015/16.

Egypt has introduced new wheat inspection system which may lead to lower prices. The GOEIC will be the sole body responsible for wheat inspections at shipping and arrival ports. After application of new system inspection costs is likely to be cut by half and traders will be allowed to discharge their cargo in bonded warehouses even before receiving approval.

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.

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

Wheat Futures Contract: NCDEX Price								Date:02.11.2016	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	+28	2015	2044	2015	2042	4330	-3,070	10020	-360
16-Dec	+27	2032	2069	2032	2061	3980	370	9370	1,360
17-Jan	+24	2026	2041	2026	2041	270	150	640	140

Spread	Nov-16	Dec-16	Jan-17	
Spot Narela				
16-Nov	-12			
16-Dec		-19		
17-Jan			20	

Stocks	Demat	In- Process	Total	FED
	01.Nov.16	01.Nov.16	01.Nov.16	31.Oct.16
Delhi	-	-	-	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4130	148	4278	4130
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 02.11.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Nov-16	1-Nov-16	
Delhi	Lawrence Road	Mill Delivery	2200	2150	50
	Narella	Mill Quality Loose	Closed	2030	-
	Nazafgarh	Mill Quality Loose	Closed	2000	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1900	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1900	Closed	-
		Mill Delivery	2000	Closed	-
U.P.	Kanpur	Mill Delivery	NR	Closed	-
	Mathura	Mill Quality Loose	1980	Closed	-
	Kosi	Mill Quality Loose	2020	Closed	-
	Hathras	Mill Quality Loose	NA	Closed	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	1800	Closed	-

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2000	2000	Unch
	Hodal	Mill Delivery	2130	2080	50
	Bhiwani	Mill Quality Loose	2080	2050	30
	Karnal	Mill Delivery	2000	2000	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	Closed	-
	Madurai	Mill Quality	2457	Closed	-
	Coimbatore	Mill Quality	2457	Closed	-
Bihar	Khagariya	Mill Delivery	1875	1800	75
	Muzaffarpur	Mill Delivery	1850	1850	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Nov-16	1-Nov-16	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2300	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	2800	-
Rajasthan	Kota	LokwanBilty	2200	Closed	-
	Baran	Lokwan	2100	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Nov-16	1-Nov-16	
Delhi	Lawrence Road	Mill Delivery	5000	2000	3000
	Narella	Mill Quality Loose	Closed	1000	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	1000	Closed	-
Rajasthan	Kota	Mill Quality	3000	Closed	-
U.P.	Kanpur	Mill Quality Loose	NR	Closed	-
	Mathura	Mill Quality Loose	300	Closed	-
	Kosi	Mill Quality Loose	500	Closed	-
	Hathras	Mill Quality Loose	NA	Closed	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	200	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	20	80
	Bhiwani	Mill Quality Loose	500	200	300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		2-Nov-16	1-Nov-16	Change
Atta (50kg) Ordinary		1075	Closed	-
Maida Grade 1 (50KG)		1410	Closed	-
Suji (50kg)		1460	Closed	-
Chokar (50 kg)		839	Closed	-
Chokar (34 kg)		588	Closed	-
Chakki Atta (50kg)		1110	Closed	-
Chakki Atta (50kg) Special		1145	Closed	-
Chakki Atta (90kg) Superfine		2003	Closed	-
Chakki Atta (50kg) Superfine		1105	Closed	-

Wheat (CBOT) Future Price: 01.11.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	416.25	418.25	410.75	414.25	-2.00
Mar-17	432.75	436.00	429.00	431.50	-2.25
May-17	447.25	450.50	443.75	446.00	-2.25
Jul-17	459.00	463.75	457.00	459.50	-2.00
Sep-17	476.25	477.75	472.25	474.75	-1.00
Dec-17	490.25	495.00	489.00	492.50	Unch

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