

Wheat Domestic Fundamentals:

All India weekly average prices increased by 0.73 percent to Rs. 1838.95 per quintal during the week ended 31st October 2016. Wheat average price were ruling at Rs 1825.66 per quintal during 24-31st October 2016. As compared to prices in the week 24-31st October 2015, the prices are firm by 3.41 percent. Prices are expected to remain range bound to slightly firm in coming days.

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.

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:03.11.2016		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	-19	2032	2045	1993	2013	7540	3,210	9140	-880
16-Dec	-16	2061	2074	2020	2036	9400	5,420	10320	950
17-Jan	-6	2025	2055	2018	2028	710	440	940	300

Spread	Nov-16	Dec-16	Jan-17	
Spot Narela				
16-Nov	37			
16-Dec		-23		
17-Jan			8	

Stocks	Demat	In- Process	Total	FED
	02.Nov.16	02.Nov.16	02.Nov.16	31.Oct.16
Delhi	-	-	-	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4180	247	4427	4130
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 03.11.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Nov-16	2-Nov-16	
Delhi	Lawrence Road	Mill Delivery	2150	2200	-50
	Narella	Mill Quality Loose	2050	Closed	-
	Nazafgarh	Mill Quality Loose	2000	Closed	-
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	2100	1900	200
	Bhopal	Mill Quality Loose	1950	Closed	-
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2000	2000	Unch
U.P.	Kanpur	Mill Delivery	1750	NR	-
	Mathura	Mill Quality Loose	1940	1980	-40
	Kosi	Mill Quality Loose	2000	2020	-20
	Hathras	Mill Quality Loose	1720	NA	-
	Aligarh	Mill Quality Loose	1900	Closed	-
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2010	2000	10
	Hodal	Mill Delivery	2130	2130	Unch
	Bhiwani	Mill Quality Loose	2025	2080	-55
	Karnal	Mill Delivery	2010	2000	10
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2250	2400	-150
	Madurai	Mill Quality	2307	2457	-150
	Coimbatore	Mill Quality	2307	2457	-150
Bihar	Khagariya	Mill Delivery	1875	1875	Unch
	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
			3-Nov-16	2-Nov-16	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2400	2300	100
	Bhopal	Lokwan	2100	Closed	-
	Bina	Sarbati 306	2700	Closed	-
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	2100	2100	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-Nov-16	2-Nov-16	
Delhi	Lawrence Road	Mill Delivery	10000	5000	5000
	Narella	Mill Quality Loose	250	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	500	1000	-500
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	9000	NR	-
	Mathura	Mill Quality Loose	300	300	Unch
	Kosi	Mill Quality Loose	600	500	100
	Hathras	Mill Quality Loose	150	NA	-
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	300	200	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	400	500	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		3-Nov-16	2-Nov-16	Change
Atta (50kg) Ordinary		1075	1075	Unch
Maida Grade 1 (50KG)		1450	1410	40
Suji (50kg)		1505	1460	45
Chokar (50 kg)		864	839	25
Chokar (34 kg)		598	588	10
Chakki Atta (50kg)		1175	1110	65
Chakki Atta (50kg) Special		1150	1145	5
Chakki Atta (90kg) Superfine		2003	2003	Unch
Chakki Atta (50kg) Superfine		1105	1105	Unch

Wheat (CBOT) Future Price: 02.11.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	414.50	420.25	412.00	417.75	3.50
Mar-17	431.50	437.00	429.25	434.50	3.00
May-17	448.75	451.00	444.00	449.00	3.00
Jul-17	459.50	464.00	457.00	462.00	2.50
Sep-17	475.50	478.50	472.50	476.50	1.75
Dec-17	492.25	495.00	489.00	494.50	2.00

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