

Wheat Domestic Fundamentals:

According to latest update, export of wheat has increased compared to last week. In the week (24-30 October) the exports were around 889.53 metric tonnes compared to 799 metric tonnes in the week 17-23 October. The said quantity was exported at an average FOB of \$ 404.8 per tonne and the major destinations were UAE, Sri Lanka, Kuwait and Oman. Total export till 30th Oct-2016 since 4th April was registered around 26386 tonne. Export window remained restricted due to disparity.

India imported around 52877 tonne wheat from Australia, Ukraine and France last week till 30th Oct-2016 at an average CIF of \$227.03 per tonne. Around 25219 tonne has been imported from Australia at an average CIF of \$244.4 per tonne, 24658 tonne of Ukraine wheat at an average CIF of \$194.38 per tonne and a small quantity of 3000 tonnes has arrived from France at an average CIF of \$211.24 per tonne.

As wheat prices are not decreasing even after revision of import duty from 25% to 10% centre has decided to release one million tonne of wheat in the open market to keep prices of wheat in check. FCI has sold around 29.8 lakh tonnes wheat under OMSS during April to October. 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.

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.

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.

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.

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 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:04.11.2016	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	+2	1999	2023	1999	2008	3750	-3,790	8490	-650
16-Dec	+10	2021	2055	2021	2038	4070	-5,330	10710	390
17-Jan	+23	2044	2049	2036	2044	310	-400	950	10

Spread	Nov-16	Dec-16	Jan-17	
Spot Narela				
16-Nov	42			
16-Dec		-30		
17-Jan			-6	

Stocks	Demat	In- Process	Total	FED
	03.Nov.16	03.Nov.16	03.Nov.16	31.Oct.16
Delhi	-	-	-	312
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4278	347	4625	4130
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 04.11.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Nov-16	3-Nov-16	
Delhi	Lawrence Road	Mill Delivery	2150	2150	Unch
	Narella	Mill Quality Loose	2050	2050	Unch
	Nazafgarh	Mill Quality Loose	2000	2000	Unch
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	2100	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1880	1900	-20
		Mill Delivery	1975	2000	-25
U.P.	Kanpur	Mill Delivery	1760	1750	10
	Mathura	Mill Quality Loose	1931	1940	-9
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	NR	1720	-
	Aligarh	Mill Quality Loose	1950	1900	50
Punjab	Khanna	Mill Quality Loose	1810	1800	10

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2010	2010	Unch
	Hodal	Mill Delivery	2130	2130	Unch
	Bhiwani	Mill Quality Loose	2040	2025	15
	Karnal	Mill Delivery	2010	2010	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2250	50
	Madurai	Mill Quality	2357	2307	50
	Coimbatore	Mill Quality	2357	2307	50
Bihar	Khagariya	Mill Delivery	2000	1875	125
	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
			4-Nov-16	3-Nov-16	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2500	2400	100
	Bhopal	Lokwan	2050	2100	-50
	Bina	Sarbati 306	2800	2700	100
Rajasthan	Kota	LokwanBilty	2150	2200	-50
	Baran	Lokwan	2100	2100	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Nov-16	3-Nov-16	
Delhi	Lawrence Road	Mill Delivery	4500	10000	-5500
	Narella	Mill Quality Loose	150	250	-100
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	1500	500	1000
Rajasthan	Kota	Mill Quality	6000	4000	2000
U.P.	Kanpur	Mill Quality Loose	8500	9000	-500
	Mathura	Mill Quality Loose	200	300	-100
	Kosi	Mill Quality Loose	500	600	-100
	Hathras	Mill Quality Loose	NR	150	-
	Aligarh	Mill Quality Loose	700	500	200
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	700	400	300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		4-Nov-16	3-Nov-16	Change
Atta (50kg) Ordinary		1075	1075	Unch
Maida Grade 1 (50KG)		1450	1450	Unch
Suji (50kg)		1505	1505	Unch
Chokar (50 kg)		864	864	Unch
Chokar (34 kg)		598	598	Unch
Chakki Atta (50kg)		1175	1175	Unch
Chakki Atta (50kg) Special		1150	1150	Unch
Chakki Atta (90kg) Superfine		2003	2003	Unch
Chakki Atta (50kg) Superfine		1105	1105	Unch

Wheat (CBOT) Future Price: 03.11.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	417.50	420.00	409.00	412.00	-5.75
Mar-17	434.00	437.00	427.00	429.75	-4.75
May-17	449.00	451.50	442.00	445.00	-4.00
Jul-17	462.25	464.75	455.25	458.50	-3.50
Sep-17	474.50	479.25	470.50	474.25	-2.25
Dec-17	495.00	496.50	488.50	492.75	-1.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2016 Indian Agribusiness Systems Pvt Ltd.