

Wheat Domestic Fundamentals:

Wheat cash markets traded mixed amid normal trading activities. Overall sentiment remains firm.

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 slightly firm in the near term

| Wheat Futures Contract: NCDEX Price | | | | | | | | Date:07.11.2016 | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 16-Nov | 0 | 2006 | 2019 | 1997 | 2011 | 3750 | -3,790 | 8490 | -650 |
| 16-Dec | 3 | 2035 | 2050 | 2026 | 2044 | 4070 | -5,330 | 10710 | 390 |
| 17-Jan | 7 | 2041 | 2044 | 2032 | 2033 | 310 | -400 | 950 | 10 |

| Spread | Nov-16 | Dec-16 | Jan-17 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 16-Nov | 31 | | | |
| 16-Dec | | -62 | | |
| 17-Jan | | | 1 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 05.Nov.16 | 05.Nov.16 | 05.Nov.16 | 31.Oct.16 |
| Delhi | - | - | - | 312 |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 4605 | 196 | 4801 | 4130 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 05.11.2016

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|---------------|--------------------|-----------------|----------|--------|
| | | | 7-Nov-16 | 5-Nov-16 | |
| Delhi | Lawrence Road | Mill Delivery | 2120 | 2100 | 20 |
| | Narella | Mill Quality Loose | 1975 | 2070 | -95 |
| | Nazafgarh | Mill Quality Loose | 2020 | NR | - |
| Gujarat | Rajkot | Mill Delivery | 1890 | 1870 | 20 |
| | Ahmedabad | Mill Delivery | 2100 | 2000 | 100 |
| | Surat | Mill Delivery | 2120 | 2120 | Unch |
| | Dhrol | Mill Quality Loose | 2185 | NA | - |
| M.P. | Indore | Mill Delivery | 2000 | 2100 | -100 |
| | Bhopal | Mill Quality Loose | NR | 1950 | - |
| Rajasthan | Kota | Mill Quality Loose | NR | 1880 | - |
| | | Mill Delivery | NR | 1975 | - |
| U.P. | Kanpur | Mill Delivery | 1765 | 1745 | 20 |
| | Mathura | Mill Quality Loose | 1901 | NR | - |
| | Kosi | Mill Quality Loose | 1900 | 1950 | -50 |
| | Hathras | Mill Quality Loose | NR | NR | - |
| | Aligarh | Mill Quality Loose | 1850 | NR | - |
| Punjab | Khanna | Mill Quality Loose | 1850 | 1850 | Unch |

| | | | | | |
|------------|-------------------------------|---------------------|--------|------|------|
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1980 | 1980 | Unch |
| | Hodal | Mill Delivery | 2130 | 2130 | Unch |
| | Bhiwani | Mill Quality Loose | 2000 | 2050 | -50 |
| | Karnal | Mill Delivery | NR | NR | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | NR | 2300 | - |
| | Madurai | Mill Quality | NR | 2357 | - |
| | Coimbatore | Mill Quality | NR | 2357 | - |
| Bihar | Khagariya | Mill Delivery | 2000 | 2000 | Unch |
| | Muzaffarpur | Mill Delivery | Closed | 1850 | - |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|----------|--------|
| | | | 7-Nov-16 | 5-Nov-16 | |
| Gujarat | Rajkot | Lokwan | 2100 | 2125 | -25 |
| M.P. | Indore | Lokwan | 2500 | 2500 | Unch |
| | Bhopal | Lokwan | NR | 2050 | - |
| | Bina | Sarbati 306 | 2700 | 2800 | -100 |
| Rajasthan | Kota | LokwanBilty | NR | 2150 | - |
| | Baran | Lokwan | 2050 | 2100 | -50 |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 7-Nov-16 | 5-Nov-16 | |
| Delhi | Lawrence Road | Mill Delivery | 3000 | 6000 | -3000 |
| | Narella | Mill Quality Loose | 200 | 200 | Unch |
| | Nazafgarh | Mill Quality Loose | 200 | NR | - |
| Gujarat | Rajkot | Mill Quality Loose | 800 | 700 | 100 |
| | Dhrol | Mill Quality Loose | 14 | NA | - |
| M.P. | Indore | Mill Quality Loose | 1000 | 1500 | -500 |
| Rajasthan | Kota | Mill Quality | NR | 5000 | - |
| U.P. | Kanpur | Mill Quality Loose | 9500 | 10500 | -1000 |
| | Mathura | Mill Quality Loose | 250 | NR | - |
| | Kosi | Mill Quality Loose | 500 | 700 | -200 |
| | Hathras | Mill Quality Loose | NR | NR | - |
| | Aligarh | Mill Quality Loose | 500 | NR | - |
| Punjab | Khanna | Mill Quality Loose | 500 | 200 | 300 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |

| | | | | | |
|----------------|---------|--------------------|-----|-----|-------------|
| Haryana | Sirsa | Mill Quality Loose | 100 | 200 | -100 |
| | Hodal | Mill Quality Loose | 100 | 30 | 70 |
| | Bhiwani | Mill Quality Loose | 400 | 400 | Unch |
| | Karnal | Mill Delivery | NR | NR | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | | 7-Nov-16 | 5-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: 04.11.2016 | | | | | |
|--|-------------|-------------|------------|--------------|---------------|
| Contract Month | Open | High | Low | Close | Change |
| Dec-16 | 414.00 | 415.25 | 410.25 | 414.25 | 2.25 |
| Mar-17 | 431.25 | 432.75 | 428.50 | 432.00 | 2.25 |
| May-17 | 445.50 | 447.50 | 443.00 | 446.75 | 1.75 |
| Jul-17 | 458.75 | 460.25 | 455.75 | 459.50 | 1.00 |
| Sep-17 | 474.50 | 475.25 | 472.00 | 475.25 | 1.00 |
| Dec-17 | 492.75 | 495.00 | 490.25 | 494.75 | 2.00 |

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