

Wheat Domestic Fundamentals:

Fear of cash crunch in coming days and ban on Rs 500 & Rs 1000 note have impacted daily trading activities in pulses market and pressure would continue to build up in coming days. Uncertainty over cash supply may drive cash market price down from current level. Restricted cash transaction would affect normal trade. US election result and ban on high denomination notes in India would push commodity price down further in the short term.

Election in two major wheat producing states-Punjab and Uttar Pradesh early next year may encourage centre to hike wheat MSP by Rs 100 per qtl. from Rs 1525 to Rs 1625 per qtl. for 2016-17. It would be 6.5 percent higher from last year (Rs 1525). Centre can't give more than Rs 100 per qtl. hike as inflation still remains the cause for concern. Generally govt. accepts recommendation of CACP.. and its recommendation is Rs 75 per qtl.

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 2100/2110 per qtl. despite smooth flow of imported wheat from various destination. Agriwatch expects steady to slightly weak tone to continue as cash crunch may affect normal trade.

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 slightly weak in the near term

Wheat Futures Contract: NCDEX Price							Date:09.11.2016		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Nov	-3	1981	2002	1981	2002	1580	-1910	4550	-1130
16-Dec	0	2026	2047	2016	2047	3580	270	10730	-220
17-Jan	-6	2028	2040	2028	2040	160	110	760	-110

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

Stocks	Demat	In- Process	Total	FED
	08.Nov.16	08.Nov.16	08.Nov.16	7.Nov.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4801	901	5702	4801
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 09.11.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Nov-16	8-Nov-16	
Delhi	Lawrence Road	Mill Delivery	2125	2150	-25
	Narella	Mill Quality Loose	Closed	1950	-
	Nazafgarh	Mill Quality Loose	Closed	2000	-
Gujarat	Rajkot	Mill Delivery	NA	NA	-
	Ahmedabad	Mill Delivery	2110	2100	10
	Surat	Mill Delivery	2120	2120	Unch
	Dhrol	Mill Quality Loose	NR	2185	-
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1975	NR	-
Rajasthan	Kota	Mill Quality Loose	Closed	1880	-
		Mill Delivery	Closed	1975	-
U.P.	Kanpur	Mill Delivery	NR	1775	-
	Mathura	Mill Quality Loose	NR	1911	-
	Kosi	Mill Quality Loose	1875	1900	-25
	Hathras	Mill Quality Loose	2050	1981	69
	Aligarh	Mill Quality Loose	Closed	1850	-
Punjab	Khanna	Mill Quality Loose	1900	1875	25

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1950	1980	-30
	Hodal	Mill Delivery	2130	2130	Unch
	Bhiwani	Mill Quality Loose	1980	2000	-20
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2300	-
	Madurai	Mill Quality	Closed	2357	-
	Coimbatore	Mill Quality	Closed	2357	-
Bihar	Khagariya	Mill Delivery	2050	2000	50
	Muzaffarpur	Mill Delivery	1850	1830	20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Nov-16	8-Nov-16	
Gujarat	Rajkot	Lokwan	NA	NA	-
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	NR	NR	-
	Bina	Sarbati 306	Closed	2600	-
Rajasthan	Kota	LokwanBilty	Closed	2150	-
	Baran	Lokwan	Closed	NR	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Nov-16	8-Nov-16	
Delhi	Lawrence Road	Mill Delivery	4000	3500	500
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	200	-
Gujarat	Rajkot	Mill Quality Loose	NA	NA	-
	Dhrol	Mill Quality Loose	NA	14	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	Closed	5000	-
U.P.	Kanpur	Mill Quality Loose	NR	9000	-
	Mathura	Mill Quality Loose	NR	300	-
	Kosi	Mill Quality Loose	500	700	-200
	Hathras	Mill Quality Loose	40	150	-110
	Aligarh	Mill Quality Loose	Closed	800	-
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	400	500	-100
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	9-Nov-16	8-Nov-16	Change
Atta (50kg) Ordinary	1075	1075	Unch
Maida Grade 1 (50KG)	1450	1450	Unch
Suji (50kg)	1505	1505	Unch
Chokar (50 kg)	909	864	45
Chokar (34 kg)	624	598	26
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: 08.11.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	410.50	419.75	408.25	415.25	5.25
Mar-17	428.00	436.00	425.75	432.00	4.25
May-17	442.50	452.00	442.25	448.00	4.50
Jul-17	457.50	465.75	456.00	463.25	6.00
Sep-17	472.00	480.00	472.00	478.75	5.75
Dec-17	492.00	500.00	492.00	498.25	5.25

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