

Wheat Domestic Fundamentals:

All India average monthly prices for wheat increased by 9.75 percent from Rs 1810.97 (in October) to Rs 1987.59 per qtl in November-2016. Better crop prospects for next year have weakened inner tone in the market. Average price (November) is higher by 15.44 percent compared to price (Rs 1721.69 per qtl.) registered in November-2015. Higher import volume would restrict demand from south Indian millers. Government has reduced import duty from 25 percent to 10 percent, it would directly impact wheat price of central and north India.

Wheat WPI has increased slightly from 231.9 in September to 232.9 in October-2016. Monthly wheat inflation has increased by 0.43 percent in October-16 compared to September -16. As compared to October-15 wheat WPI has increased by around 6.3 percent.

In the last week, India imported around 130066 tonne wheat from Australia, Ukraine and France till 26th Nov-2016 at an average CIF of \$220.10 per tonne. Around 33901 tonne has been imported from Australia at an average CIF of \$238.61 per tonne, 94665 tonnes of Ukraine wheat at an average CIF of \$198.56 per tonne and a small quantity of 1500 tonnes has arrived from France at an average CIF of \$219.33 per tonne.

According to latest update, export of wheat has decreased compared to last week. In the week (21-26 November) the exports were around 294.625 metric tonnes compared to 1319.07 metric tonnes in the week 14-20 November. The said quantity was exported at an average FOB of \$366.49 per tonne and the major destinations were Sri Lanka, USA, Somalia and UAE. Total export till 26th Nov-2016 since 4th April was registered around 29738.94 tonne. Export window remained restricted due to disparity.

According to latest update, area sown until 25 November'16 is 127.15 lakh hectares compared to 117.32 lakh hectares in the previous Rabi season. Among major states the area is down in Bihar, Chhattisgarh, Gujarat and Haryana, whereas Madhya Pradesh, Maharashtra, Punjab and Uttar Pradesh have seen an increase in area compared to last year for the same date. The normal area is 301.74 lakh hectares. Area is expected to be higher this year as government has increased MSP of wheat which may motivate farmers to sow more area.

International Market Update:

Australia is expecting a crop of around 31.5 million tonnes which will break its own record of 29.9 million tonnes set five years earlier. Australia is not only hoping to regain its market share lost in Asia but also challenge countries in the black sea region at a global level. Australia standard wheat with 9 percent protein was quoted at \$185 per tonne FoB this week. This quote is still higher by around \$6 per tonne compared to Russia and Ukraine.

GASC has purchased 240000 tonnes of Russian wheat through tender after abolishing its zero-tolerance policy towards ergot. Louis Dreyfus offered 60000 tonnes at FOB \$188.74/tonne, Olam offered 60000 tonnes at FOB of \$189.05/tonne, Alegrow offered 60000 tonnes at FOB \$189.46/tonne and Grainbow offered 60000 tonnes at FOB \$188.74/tonne.

As per latest update by Buenos Aires cereal exchange, harvesting of wheat in Argentina has been delayed by 2.3 percentage points and reached 17.7 percent of the expected 10.6 million acres. Harvesting has progressed by 5.6 percentage points last week. The Argentinean government expects 14.9 MMT of cereal production as it is including non-commercial production also.

According to latest update by International Grains Council, the production forecast has been increased by 1 MMT for crop year 2016-17. The production may touch 749 MMT against a forecast of 737 MMT for 2015-16. The difference is around 12 MMT. However trade projection has been revised down by 1MMT to 166 MMT which is still 2 MMT higher than actual of last year. Higher projection for wheat may pressurize global wheat at current level and any major recovery from current level is unlikely.

As per latest update, Japan's ministry of agriculture bought 158414 tonnes of food quality wheat from United States and Canada. Around 92328 tonnes has been bought from united states and 65556 tonnes has been bought from Canada. The entire quantity from Canada will be loaded between January 16 and February 15, 2017.

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

Wheat Futures Contract: NCDEX Price								Date:02.12.2016	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	+1	2019	2030	2011	2020	1230	-1,460	8680	-580
17-Jan	-5	2062	2066	2053	2053	570	-960	3240	+110
17-Feb	-	-	-	-	-	-	-	-	-

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	30			
17-Jan		-33		
17-Feb			-	

Stocks	Demat	In- Process	Total	FED
	1.Dec.16	1.Dec.16	1.Dec.16	28.Nov.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5359	0	5359	6402
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 2.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Dec-16	1-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2150	2150	Unch
	Narella	Mill Quality Loose	2050	2025	25
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Delivery	2010	2000	10
	Ahmedabad	Mill Delivery	2140	2150	-10
	Surat	Mill Delivery	2170	2170	Unch
	Dhrol	Mill Quality Loose	2130	2160	-30
M.P.	Indore	Mill Delivery	2100	2100	Unch
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	Closed	1875	-
		Mill Delivery	Closed	2020	-
U.P.	Kanpur	Mill Delivery	1975	2000	-25
	Mathura	Mill Quality Loose	1960	1900	60
	Kosi	Mill Quality Loose	1975	1950	25
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	1850	1850	Unch
Punjab	Khanna	Mill Quality Loose	2000	1975	25

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1925	-25
	Hodal	Mill Delivery	2240	2240	Unch
	Bhiwani	Mill Quality Loose	2100	2100	Unch
	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	1900	1975	-75
	Muzaffarpur	Mill Delivery	1850	1875	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Dec-16	1-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2500	1000	1500
	Narella	Mill Quality Loose	250	250	Unch
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Quality Loose	1000	1200	-200
	Dhrol	Mill Quality Loose	6	26	-20
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	Closed	2500	-
U.P.	Kanpur	Mill Quality Loose	1850	1650	200
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	350	400	-50
	Hathras	Mill Quality Loose	85	60	25
	Aligarh	Mill Quality Loose	300	200	100
Punjab	Khanna	Mill Quality Loose	600	500	100
	(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	100	200	-100
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Dec-16	1-Dec-16	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2500	2500	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2400	2500	-100
Rajasthan	Kota	LokwanBilty	Closed	2100	-
	Baran	Lokwan	2075	2075	Unch

Wheat Products Delhi		2-Dec-16	1-Dec-16	Change
Atta (50kg) Ordinary		1190	1190	Unch
Maida Grade 1 (50KG)		1510	1510	Unch
Suji (50kg)		1560	1560	Unch
Chokar (50 kg)		919	919	Unch
Chokar (34 kg)		630	630	Unch
Chakki Atta (50kg)		1220	1220	Unch
Chakki Atta (50kg) Special		1250	1250	Unch
Chakki Atta (90kg) Superfine		1978	1978	Unch
Chakki Atta (50kg) Superfine		1080	1080	Unch

Wheat (CBOT) Future Price: 1.12.2016					
Contract Month	Open	High	Low	Close	Change
Dec-16	376.50	379.75	369.50	372	-9
Mar-17	402.75	404.50	393.00	396	-7
May-17	416	419	407	409	-7
Jul-17	431	434	422	424	-7
Sep-17	448	450	438	440	-7
Dec-17	465	469	457	459.5	-6

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