



Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals: -

All India weekly average prices increased by 7.52 percent to Rs. 2125.88 per quintal during the week ended 30th November 2016. Wheat average price were ruling at Rs 1977.26 per quintal during 16-23rd November 2016. As compared to prices in the week 24-30th November 2015, the prices are firm by 23.48 percent. Prices are expected to remain range bound to slightly firm in coming days.

In the last week, India imported around 125055 tonne wheat from Australia, Ukraine and France last week till 20th Nov-2016 at an average CIF of \$220.48 per tonne. Around 30308 tonne has been imported from Australia at an average CIF of \$243.36 per tonne, 92747 tonnes of Ukraine wheat at an average CIF of \$199.34 per tonne and a small quantity of 2000 tonnes has arrived from France at an average CIF of \$223.22 per tonne.

According to latest update, export of wheat has decreased compared to last week. In the week (14-20 November) the exports were around 1319.07 metric tonnes compared to 1700.95 metric tonnes in the week 07-13 November. The said quantity was exported at an average FOB of \$319.25 per tonne and the major destinations were Kuwait, Malaysia, Nepal and UAE. Total export till 20th Nov-2016 since 4th April was registered around 29444 tonne. Export window remained restricted due to disparity.

According to latest update, area sown until 18 November'16 is 79.40 lakh hectares compared to 78.83 lakh hectares in the previous Rabi season. The area is down in Haryana, Maharashtra and Madhya Pradesh whereas Rajasthan 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.

Agriwatch has revised its wheat production estimate down from 89.28 to 87.20 MMT In end May-2016. Carryout for next year would decrease from 15.38 to 12.58 MMT. Availability would be lower at 104.58 MMT for the current year. Consumption would remain same as last year.

Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released Fourth Adv. Estimate for Rabi crop for 2015-16 on 2nd Aug-2016. Production target for wheat in Rabi had been set at 94.75 lakh tonne for 2015-16 crop years. Now it has been revised down to 93.50MMT.

Latest Developments In Domestic Markets : -

As per the latest update, in order to keep the rising prices of wheat in check the government has decided to double the quantity from 7000 tonnes to 14000 tonnes to be sold in open market through auction in Delhi. Recently the government released one million tonnes of wheat for flour millers and other bulk users. Around 29000 tonnes of wheat has been sold by FCI in the first week of November in Delhi and its neighboring areas. Government is also expecting increase in flow of imported wheat due to reduced import duty from 25 to 10 percent, which would be enough for meeting the requirements of market and private sector.

The government has decided to increase the minimum support price of wheat by Rs 100 per quintal to Rs 1625 per quintal for 2016-17. The hike is around 6.6 percent higher compared to last year and 5.2 percent higher compared to 2015.

Indian FoB quote is hovering around \$317.22 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$181.1, \$182.6, \$181.38, \$182.41 and \$186.6 per tonne respectively. The latest consignments from Australia landed at Tuticorin (18870 T), Cochin port (1500 T), Mangalore (7438 T) and Chennai (2500 T) at CiF of \$243.8, \$247.93, \$228.92 and \$260.21 per tonne respectively. Around 2000 tonne and 91747 tonne of wheat have been imported from France and Ukraine respectively.

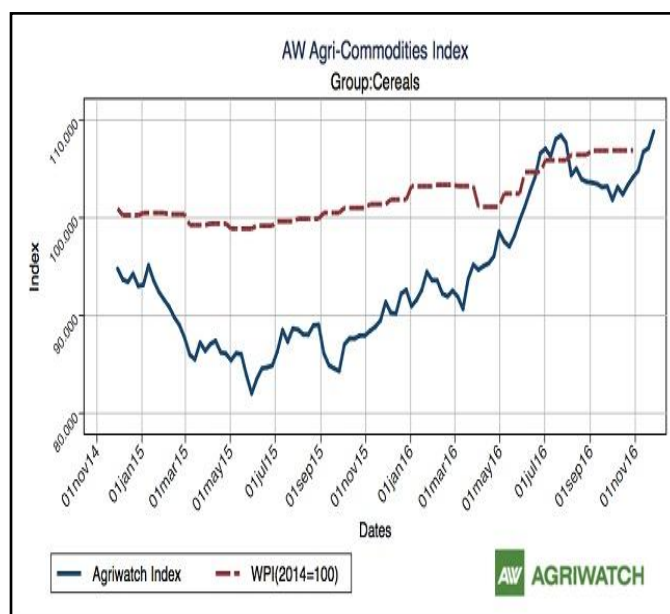
Outlook & Recommendation:-Wheat cash market is expected to trade steady to slightly firm in the coming week.

Trade Call: Stakeholders should trade in December contract taking care of lower and upper price tag of Rs2035&2140 respectively.

Agriwatch Cereals Index:

The Agriwatch Agri Commodities Index gained 1.54% to 115.72 during the week ended Nov 26, 2016 from 113.97 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

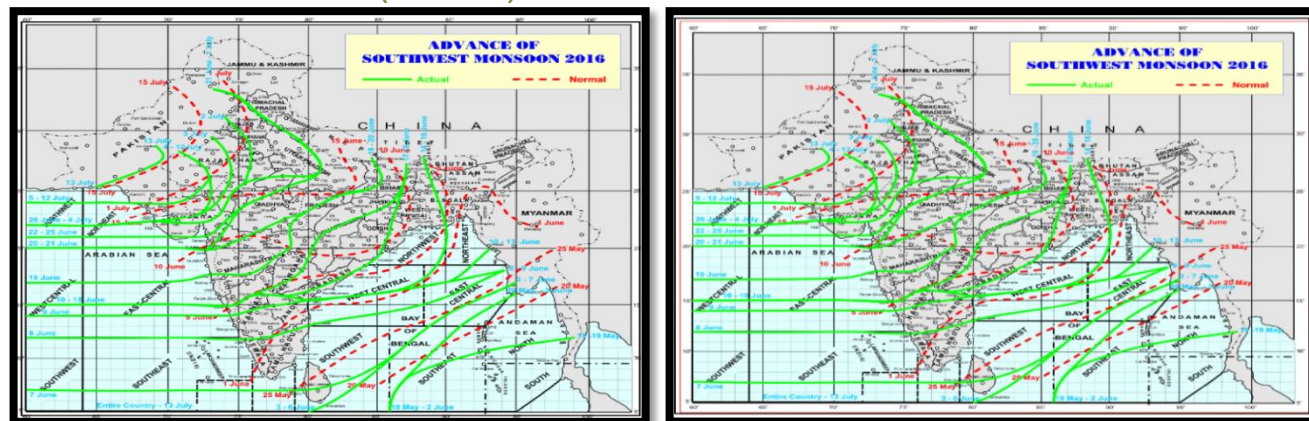
Seven of the nine commodity group sub-Indices that constitute the main Index gained during the week, led by Cereals and Spices. Vegetables and Sweeteners were the only declining sub-Indices. The commodity group sub-Index values and their weekly changes are as follows: Cereals Index: 108.84 (+1.58%), Pulses Index: 209.60 (+0.67%), Vegetables Index: 59.75 (-0.97%), Edible Oils Index: 109.96 (+0.57%), Oilseeds Index: 103.54 (+2.03%), Spices Index: 127.44 (+5.05%), Sweeteners Index: 119.67 (-0.11%), Fibres Index: 103.83 (+8.76%) and Other Non-Food Articles Index: 81.52 (+5.78%).



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

Weather Condition& Monsoon Progress:

Last week 02.09.2016/This week (08.09.2016)

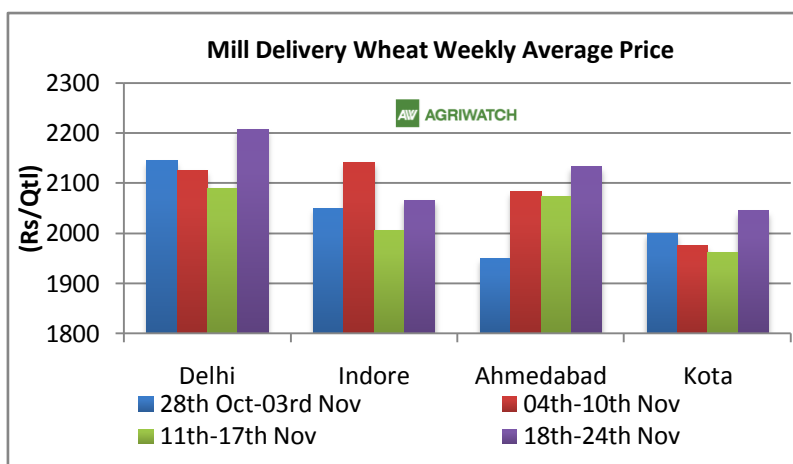


The depression over Jharkhand & adjoining Gangetic West Bengal has moved nearly westwards during past 12 hours and lay centered at 0530 hours IST of today i.e. 18th August, 2016, over Jharkhand & neighborhood, near Lat. 24.0°N and Long. 85.0°E, about 85 km north, northwest of Ranchi (Jharkhand) and 95 Km east of Daltonganj (Jharkhand). The system is very likely to move westwards and weaken into a well marked low pressure area. The axis of monsoon trough at mean sea level, now passes through Ganganagar, Narnaul, Agra, Sultanpur, centre of depression, Midnapore and thence southeastwards to east central Bay of Bengal and extends upto 0.9 Km above mean sea level. The feeble off-shore trough from south Gujarat coast to Karnataka coast persists.

Wheat Weekly Average Price Chart:

Wheat average mill delivery prices traded firm in Indore, Ahmedabad, Kota and Delhi during 18th-24th November. Prices are expected to remain steady to slightly firm on account of firm demand from flour mills in the spot market.

Import volume is not able to create pressure even after revision of import duty from 25% to 10% as wheat from MP and Rajasthan is still in demand by south Indian millers but the volume is lower.



Wheat Stock Norms						
Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		
	Rice	Wheat	Total	Rice	Wheat	G Total
As on						
1st April	115.8	44.6	160.4	20	30	210.4
1st July	115.4	245.8	361.2	20	30	411.2
1st Oct.	82.5	175.2	257.7	20	30	307.7
1st Jan	56.1	108	164.1	20	30	214.1
Buffer Norms w.e.f. 22.01.2015						

Procurement As on 28th June-2016:

State	Total Procurement In Marketing Season 2015-16 (April To March)	Progressive Procurement As on 28.06.2016 (Fig In Lakh Tonne)		
		In Marketing Season 2016-17	In Marketing Season 2015-16	% Ch Over Previous Year
Punjab	103.54	106.44	103.54	+2.80
Haryana	67.78	67.22	67.78	-0.83
Gujarat	0.73	0.00109	0.73	-99.85
Uttar Pradesh	22.67	8.2376	22.67	-63.66
MP	73.09	39.9	73.09	-45.41
Rajasthan	13	7.617	13	-41.40
Others	0.07	0.02	0.07	-71.43
All India	280.88	229.44	280.88	-18.32

Total wheat procurement was registered at 229.44 lakh tonne till 28th June -2016. Against set target of 30 MMT total procurement may end up with 23 MMT this year. Till date it is lower by 18.32 % from last year.

FOB Quote For Wheat At Kandla:

Wheat FoB quote in India has decreased due to very low demand of Indian wheat in the international market. Export window remains restricted due to huge disparity. There are no takers at higher level. However, government's intention to augment supply in domestic market from central pool stock too may restrict uptrend from current level.

Prices of wheat may stay steady to slightly firm at current level. Supply demand side seems balanced despite lower arrivals and farmer's retention of higher percentage of marketable surplus is likely to hit market as import duty is slashed by the government.

Wheat Export:

Wheat export volume has been negligible during last few weeks and there is no hope for any major recovery in coming weeks as disparity continues to discourage exporters.

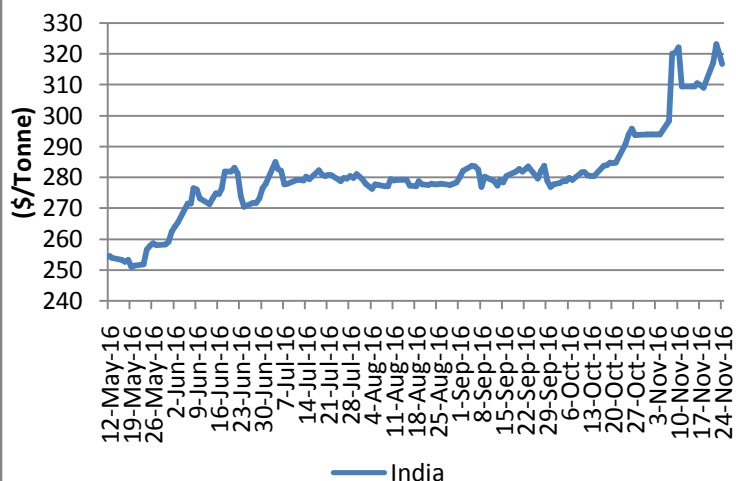
India exported 1319.07 tonnes of wheat during week ended 20th Nov-2016, down compared to exports in the previous week. Average FoB quote realized last week was \$319.25 per tonne. As prices are ruling lower in global market export opportunity for Indian wheat exporters seems bleak. Major buyers were Kuwait, Malaysia, Nepal and UAE.

Wheat Import:

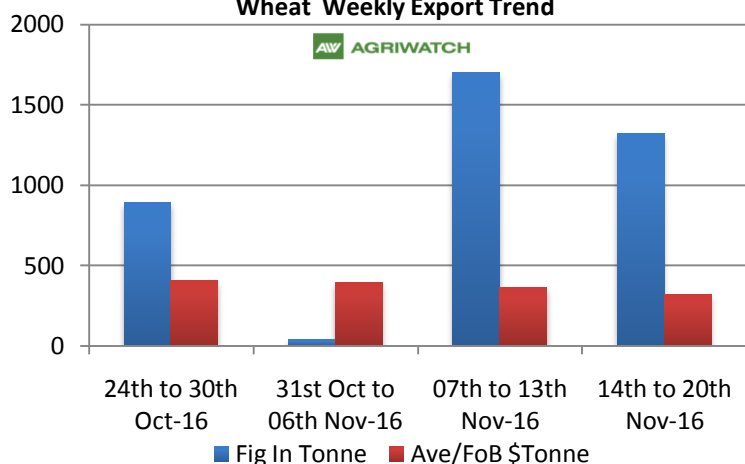
According to latest update, a total quantity of around 125055 tonnes of wheat has been imported from Australia, Ukraine and France after revision of import duty from 25% to 10%. Of the total quantity imported 92747 tonnes has been imported from Ukraine and rest is from Australia and France.

As import duty, has been slashed, import volume may be around 3MMT in current MY. It would impact demand of south Indian millers from central and north India. Off-take from central pool may decrease.

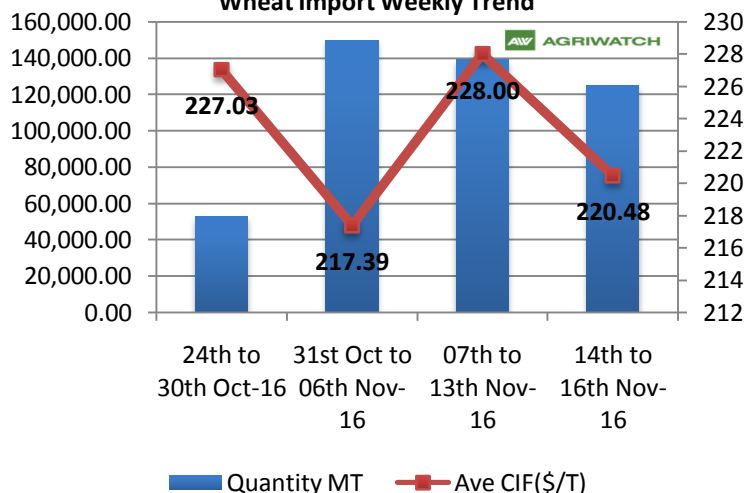
India Indicative Wheat FoB



Wheat Weekly Export Trend



Wheat Import Weekly Trend



Indicative FOB Quotes:						
Wheat FOB	Variety	Yesterday	Week Ago	Month Ago	Year Ago	% Change over Prev. Year
		23-Nov-16	16-Nov-16	23-Oct-16	23-Nov-15	
USA (Chicago)	2srw	182.40	179.93	183.43	209.48	-12.93
France	FCW3	180.97	182.45	179.36	NA	-
Australia	ASW	189.00	187.00	187.00	215.00	-12.09
Russia	SRW	181.50	180.50	173.00	199.00	-8.79
India	Fob	319.85	310.61	290.91	NA	-

		25/11/2016	18/11/2016	11/11/2016	3/11/2016
December	Black Sea Mill Wheat 12.5% FOB Pmax.	180	181	182	180
December	Black Sea Mill Wheat 11.5% FOB Pmax.	182	182	175	175

Wheat Futures Contact: NCDEX Price								Date:25.11.2016	
Contract Month	Change from previous day	Open	High	Low	Close	Volume	Change From previous day	Open Interest	Change From previous day
16-Dec	+15	2054	2078	2053	2068	1100	-1,390	10600	-200
17-Jan	+13	2080	2099	2080	2092	230	-430	2650	10
17-Feb	-14	2030	2030	2030	2030	20	-10	400	-

Wheat Weekly Price Table:

Spot prices of wheat at NCDEX Delivery centers					
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	% Change over prev. Year
	24-Nov-16	17-Nov-16	24-Oct-16	24-Nov-15	
Indore	2071	1973	1856	1624	27.52
Bareilly	NA	NA	NA	NA	-
Delhi	2100	2240	1940	1700	23.53
Khanna	NA	NA	NA	NA	-
Kanpur	2025	2000	1750	1603	26.33
Karnal	NA	NA	NA	NA	-
Rajkot	2058	2060	1846	1607	28.06
Kota	2044	2013	1794	NA	-

Source: NCDEX; NCDEX delivery prices are inclusive of Mandi tax and other applicable state taxes along with handling & packaging costs.



Wheat Technical Analysis:



Domestic Market Weekly Outlook:

Wheat cash market is likely to stay steady to slightly firm in the coming week on account of lean season and good demand in the spot market. Continuous import may restrict south Indian miller's demand to some extent and release from private stock may increase. Revision of import duty has pressurized inner tone of the market.

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			24-Nov-16	23-Nov-16	17-Nov-16	24-Oct-16	24-Nov-15
Delhi	Lawrence Road	Mill Delivery	2200	2150	2100	1935	1685
	Narella	Mill Quality Loose	1980	Closed	1970	1830	NA
	Nazafgarh	Mill Quality Loose	2125	Closed	2050	1850	1640
Gujarat	Rajkot	Mill Delivery	1950	NA	NA	1790	1515
	Ahmedabad	Mill Delivery	2130	2150	2080	1940	1665
	Surat	Mill Quality Loose	2160	2180	2110	1980	1635
	Dhrol	Mill Delivery	NR	NR	NR	2135	1825
M.P.	Indore	Mill Quality Loose	2100	2000	2000	1850	1600
	Bhopal	Mill Delivery	2000	2000	1900	1750	1500
Rajasthan	Kota	Mill Quality Loose	1880	1925	1925	1700	NA
		Mill Delivery	1975	2050	2000	1790	NA
U.P.	Kanpur	Mill Delivery	1925	1900	1855	1750	1565
	Mathura	Mill Quality Loose	Closed	Closed	1900	1760	1510
	Kosi	Mill Quality Loose	2070	2100	1975	1755	1545
	Hathras	Mill Quality Loose	Closed	NA	NA	1710	NA
	Aligarh	Mill Quality Loose	Closed	Closed	NA	1750	1500
Punjab	Khanna	Mill Quality Loose	1960	1960	1960	1630	NA
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	NA
Haryana	Sirsa	Mill Delivery loose	2000	2000	1900	1740	1565
	Hodal	Mill Delivery	2240	2240	2045	1955	NA
	Bhiwani	Mill Quality Loose	2170	2250	2150	1800	1600
	Karnal	Mill Quality Loose	NR	NR	NR	1740	NA



	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	2400	2350	2300	2165	NA
	Madurai	Mill Quality	2457	2407	2357	2222	NA
	Coimbatore	Mill Quality	2457	2407	2357	2222	NA
Bihar	Khagariya	Mill Delivery	2050	2050	2050	1800	1850
	Muzaffarpur	Mill Delivery	2025	2025	1870	1835	NA

Progressive Sowing Status till 18th Nov-2016:

State Wise Progressive Wheat Sowing Till 18.11.2016				
State	Normal area	This Year	Last Year	% Change
Andhra Pradesh	0.02	0.00	0.00	0.00
Arunachal Pradesh	0.03	0.00	0.00	0.00
Assam	0.37	0.00	0.00	0.00
Bihar	21.23	0.11	0.52	-78.85
Chhattisgarh	1.04	0.01	0.04	-75.00
Goa	0.00	0.00	0.00	0.00
Gujarat	12.41	0.30	0.23	30.43
Haryana	25.27	8.66	8.94	-3.13
Himachal Pradesh	3.53	1.44	1.63	-11.66
J&K	2.98	0.28	0.85	-67.06
Jharkhand	1.53	0.00	0.04	-100.00
Karnataka	2.22	0.73	1.41	-48.23
Kerala	0.00	0.00	0.00	0.00
Madhya Pradesh	51.82	18.70	20.02	-6.59
Maharashtra	10.17	1.08	1.09	-0.92
Manipur	0.02	0.00	0.00	0.00
Meghalaya	0.00	0.00	0.00	0.00
Mizoram	0.00	0.00	0.00	0.00
Nagaland	0.03	0.00	0.00	0.00
Odisha	0.01	0.00	0.00	0.00
Punjab	35.13	23.95	23.10	3.68
Rajasthan	29.21	7.37	4.23	74.23
Sikkim	0.01	0.00	0.00	0.00
Tamil Nadu	0.00	0.00	0.00	0.00
Telangana	0.00	0.00	0.00	0.00
Tripura	0.00	0.00	0.00	0.00
Uttar Pradesh	97.57	14.82	14.38	3.06
Uttarakhand	3.60	1.83	2.00	-8.50
West Bengal	3.24	0.12	0.11	9.09
Pondicherry	0.00	0.00	0.00	0.00
Others	0.20	0.01	0.04	-75.00
All-India	301.74	79.40	78.83	0.72

Source: Ministry of Agriculture

Wheat Import at Various Ports:

14th to 20th Nov-2016			
Source	Port	Quantity/T	Ave CiF/\$T
Australia	Tuticorin	18870	243.8
	Chennai	2500	260.21
	Mangalore	7438	228.92
	Cochin	1500	247.93
France	Tuticorin	2000	223.22
Ukraine	Tuticorin	57716	199.73
	Chennai	35031	197.93
Total		125055	

During the week 14th to 20th November FOB Kandla for wheat Sourced from Rajkot region (Gujarat) was around \$309.72 per tonne.

07th to 13th Nov-2016			
Source	Port	Quantity/T	Ave CiF/\$T
Australia	Tuticorin	22580	244.96
	Chennai	21000	260.21
	Mangalore	2500	227.81
	Cochin	1768	249.7
France	Tuticorin	1000	223.22
Ukraine	Kolkata	16096	188.61
	Chennai	74000	196.18
Total		138944	

31st Oct to 06th Nov-2016			
Source	Port	Quantity/T	Ave CiF/\$T
Australia	Tuticorin	25845	242.42
	Chennai	23000	260.21
	Mangalore	4000	229.01
	Cochin	4396	250.98
Moldova	Tuticorin	243	224.72
France	Tuticorin	1000	223.39
Ukraine	Kolkata	16205	188.73
	Mangalore	23967	198.35
	Vizag	51186	205.35
Total		149842	

International Market Update:

As per latest update Taiwan bought around 85325 tonnes of wheat through tender. The said quantity was bought in two consignments. First consignment is purchased by ADM comprising of 46225 tonnes of wheat to be shipped between January 8 to 22, 2017. Second consignment is purchased by Columbia grain comprising of 39100 tonnes of wheat to be shipped between January 25 to February 8, 2017.

As per latest update china has imported around 31.2 lakh tonnes of wheat in the first ten months of the year 2016. The said quantity was imported from USA (7.92 lakh tonnes), Australia (12.67 lakh tonnes), Canada (7.93 lakh tonnes) and Kazakhstan (2.69 lakh tonnes). As compared to last year for the same period the imports are up by 21.9 percent.

As per latest update, Russian government has removed export duty on wheat. After crop loss in France, Russia stepped up its export to capture a decent amount of market share and is expected to secure the position of largest wheat exporter. Furthermore, Russia is expecting to export around 28 million tonnes of wheat in the agricultural year 2016-17 and this move of eliminating export duty may help Russia in achieving it.

Algeria state grains agency OAIC has bought around 580000 tonnes of milling wheat in a tender. The prices paid were in the range of \$201 to \$201.50 per tonne (Cost and Freight). The quantity to be shipped is due in January. The origin of wheat that is to be supplied is at seller's option

As per the latest update by United States Agriculture department regarding the condition of winter wheat around 49 percent is in good condition compared to 41 percent last year. Only 7 percent is in poor condition. Around 94 percent of winter wheat has been planted of which around 84 percent has already emerged.

The state grains agency of Tunisia has purchased around 100000 tonnes of soft milling wheat in a tender which closed on Friday. The soft wheat has been purchased in four lots of 25000 tonnes each from Bunge at \$192.74 a tonne (Cost and Freight). The said quantity must be shipped between 25th December'16 and 25th January'17.

GASC has purchased 60000 tonnes of Russian wheat through tender after abolishing its zero-tolerance policy towards ergot. GASC received offers from Aston, Olam and Grainbow. Finally, GASC purchased the said quantity from Aston at \$202.14 a tonne cost and freight.

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 are likely to be cut by half and traders will be allowed to discharge their cargo in bonded warehouses even before receiving approval.

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 because 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.

According to latest update by International Grains Council, the production forecast has been increased by 1 million tons for crop year 2016-17. The production may touch 748 million tons against a forecast of 737 million tons for 2015-16. The difference is around 11 million tons. Higher projection for wheat may pressurize global wheat at current level and any major recovery from current level is unlikely.

IGC Wheat Balance Sheet:

IGC Forecast(Fig-In MMT)	2013-14	2014-15	2015/2016	2016-17 (Projected)	
			Forecast	27.10.2016	24.11.2016
Production	717	730	737	748	749
Trade	157	153	164	167	166
Consumptions	698	715	720	736	736
Carryover stocks	190	205	222	233	235
Y-O-Y change	19	15	17	-	13
Major Export	56	65	68	70	71

- IGC has revised wheat production projection up by 1MMT from 748MMT to 749MMT on 24th, Nov-2016 for crop year 2016-17. According to IGC global wheat production for 2016-17 may touch 749 MMT against 737 forecasts for 2015-16. The difference is around 12 MMT from previous estimate. Higher projection for wheat may pressurize global wheat market at current level and any major recovery from current level is unlikely.
- Trade projection has been revised down by 1MMT to 166MMT. It is 2MMT higher from actual of last year.
- Consumption has been pegged at 736MMT for 2016-17, up by 16MMT from last year.
- Carryout may increase from 233 to 235 in 2016-17. It would ensure ample supply for the global market and continue to affect market sentiment.

CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	23-Nov-16	16-Nov-16	23-Oct-16	23-Aug-16	23-May-16	23-Nov-15	
Dec-16	147.51	145.86	147.88	157.06	180.39	193.71	-23.85
Mar-17	155.69	152.20	155.96	165.33	186.82	197.29	-21.09
May-17	160.65	157.25	162.02	170.66	190.13	198.67	-19.14
Jul-17	166.25	162.67	166.52	173.96	191.97	194.26	-14.42
Sep-17	171.67	168.54	171.85	179.11	194.45	195.09	-12.01
Dec-17	178.01	175.89	177.91	186.64	198.21	200.32	-11.14

CBOT-Dec 16

1st Support: 141.00
2nd Support: 138.00
1st Resistant: 154.00
2nd Resistant: 157.00
(\$ per tonne)

Market is likely to move from range bound to slightly weak as ample supplies are available in the market.

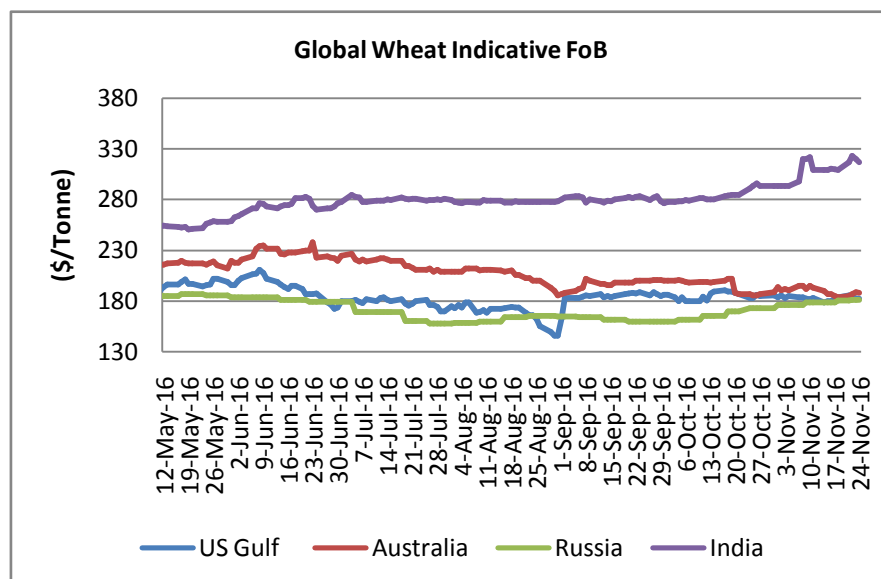


International FOB Weekly Price Movement (USD/T)

Indian FoB quote is based on local price. There is no export in bulk volume currently. Indian FoB quote is hovering between \$309.15-323.08 per tonne.

US and Russian quotes are hovering in the range of \$183.78 and \$181.1 per tonne respectively. Wheat prices in international markets witnessed steady to weak tone in the last week

Wheat quotes are expected to trade steady to slightly weak and hover in the range of \$175 to \$195 in coming weeks.



International Weekly Outlook:

Global wheat market is expected to trade from steady to slightly weak as ample supplies are available despite crop loss in France. Rains and frost in regions of Australia delayed harvesting but volume is expected to be around five year high. In USA, fall in area sown and dry weather in southern plains provided support to prices but strong dollar is making US wheat less attractive to those holding other currencies. Steady to slightly weak market is expected in short to medium term.

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