

DAILY COMMODITY UPDATE

22nd November 2016



Wheat

Wheat prices have risen over 15% in one month due to a spurt in stockists' demand ahead of rabi sowing. Stockists do not rule out a further price rise of up to 25% till the next harvest arrives in mandis in April.

FCI has a wheat inventory of 18.84 million MT in the central pool, compared to 29.91 million MT stored a year ago.

The government expects that flow of imported wheat from the ports, due to the reduced import duty of 10 per cent from 25 per cent earlier, would be enough to meet the requirements of the market and the private sector.

Rice

Rabi rice sowing is going on and as on 13 November, total area under rabi paddy is 9.68 lakh hectare which is 2.32% up from last year area of 9.46 lakh hectare and around 55% up from normal average area as on date of 6.26 lakh hectare.

Oil Seed

Brazilian soybean planting is 76% completed up from 65% last week. As per Buenos Aires grains exchange weekly crop report, Argentinean soybean planting is 24.2% completed.

World vegetable-oil inventories seen falling 7.1% to 18.07 million MT this year, USDA said Nov 9 US inventories held by industry processors unexpectedly fell m/m in Oct., NOPA.

The tariff value of crude soyoil was raised by \$13 per MT to \$866 which was the third increase in two month by the government.

USDA reported export inspections of U.S. soybeans in the latest week at more than 2.6 million MT, topping a range of trade expectations for 1.7 million to 2 million MT.

India's palm oil imports are expected to slip next month by up to a fifth, including from the top two producers Indonesia and Malaysia, as New Delhi's removal of high-value rupee notes from circulation disrupts distribution systems and curbs demand.

Pulses

Export volume of pea from Canada is increasing and Canada exported around 82000 MT Pea in the second week of Nov. It has exported total 1.5 Million MT pea from the beginning of the MY to mid Nov, higher by 4 lakh MT exported last year till date. Masur export has been recorded at 3.78 lakh MT so far. Number 2 Laird lentils are currently hovering at about 60 cents per pound in Western Canada, while red lentils are bid up to 36 cents per pound. Kabuli Chana is being quoted at 53 cent per pound.

The government is looking to achieve its buffer stock target of 2 million MT of pulses by June next year, which will be used in case of price rise, a top Consumer Affairs Ministry official.

All India Dal Mills Association said that the stock limit on pulses in the MP state has been removed and a gazette notification is expected to be issued next week. The date of notification will be treated as the date of removal of the stock limit.

Sugar

An early commencement of crushing operation this season resulted into a sugar production of 3.76 lakh MT in Karnataka (till 15th November, 2016) compared to 1.6 lakh MT of production in 2015-16 (till 15th November, 2015). Notably, 38 sugar mills participated in the crushing operation so far compared to 30 sugar mills last year during the corresponding period.

Sugar production in Gujarat fell by 48.76% as the state produced 0.62 lakh MT of sugar in 2016 17 (01st October, 2016 15th November, 2016) compared to 1.21 lakh MT of production last year in 2015 16 (01st October, 2015 15th November, 2015).

4 sugar mills in Tamil Nadu produced 0.30 lakh MT of sugar 2016 17 (01st October, 2016 15th November, 2016) compared to 0.40 lakh MT of sugar production in 2015 16 (01st October, 2015 15th November, 2015).

The combined sugar production in Andhra Pradesh Telangana remained unchanged at 0.05 lakh MT in 2016 17 (01st October, 2016 15th November, 2016) which was the same in 2015 16 (01st October, 2015 15th November, 2015).

Spices

The total area sown under Rabi crops in Gujarat as on 21st November, 2016 stands at 841,800 hectares as compared to 374,700 hectare this time in 2015.

In Gujarat, the top producer of the spice in India, planted rabi jeera over 991,00 ha as on Nov 21, compared with 174,00ha a year ago, according to the state's agriculture department.

Turmeric sowing has been completed and output is expected by bumper as standing crop is pest free due to favorable weather conditions. Turmeric production in Telangana, a major spice producing state, is seen at 210,000 MT compared with 186,000 MT in the previous year, according to the first advance estimate by state agriculture department.

India exported about 51,147 MT in 2016-17 until August which is up by 32% compared to last year in the corresponding period of 38,761 MT, as per the data released by Department of Commerce. Export grew due to good export demand from Iran and the USA.

Source: The Hindu Business Line, Financial Express, Business Standard, Economic Times, Ticker Plant News, Bloomberg, WASDE

Price Movement in Major Commodities

Commodity	Market	Price Unit	Daily			Weekly			Monthly		
			21.11.2016	18.11.2016	% Change	18.11.2016	11.11.2016	% Change	Oct-16	Sep-16	% Change
Wheat	Delhi	Quintal	2250	2392	-5.92	2392	2092	14.32	2074	1823	13.77
Barley	Jaipur	Quintal	1766	1755	0.63	1755	1755	0.00	1647	1622	1.54
Chana	Delhi	Quintal	8600	10400	-17.31	10400	10000	4.00	10500	9500	10.53
Maize	Nizamabad	Quintal	1447	1444	0.20	1444	1420	1.67	1460	1910	-23.56
Turmeric	Nizamabad	Quintal	7592	7521	0.94	7521	7538	-0.22	7483	7579	-1.27
Jeera	Unjha	Quintal	18219	18219	0.00	18219	18219	0.00	17590	18069	-2.65
Cardamom	Vandamedu	Kilogram	1342	1342	0.00	1342	1353	-0.81	1275	1152	10.68
Chilli	Guntur	Quintal	9689	9700	-0.11	9700	9950	-2.51	10733	12244	-12.34
Dhaniya	Kota	Quintal	7671	7587	1.11	7587	7399	2.55	7436	7681	-3.20
Soybean	Indore	Quintal	3068	3030	1.25	3030	3015	0.50	3073	3216	-4.45
RM Seed	Jaipur	Quintal	4850	4778	1.50	4778	4725	1.12	4668	4800	-2.75
Castor Seed	Deesa	Quintal	3675	3650	0.68	3650	3575	2.10	3580	3625	-1.24
Guar Seed	Bikaner	Quintal	3313	3300	0.38	3300	3250	1.54	3398	3500	-2.91
Cotton	Rajkot	Bale (170 Kg)	18167	18167	0.00	18167	18167	0.00	18214	21812	-16.49
Cotton Oilseed Cake	Akola	Quintal	2058	2004	2.69	2004	2100	-4.58	2200	2618	-15.97
Sugar	Vashi	Quintal	3624	3640	-0.44	3640	3594	1.29	3623	3630	-0.19

Source: Spot Market

Note: The selected markets are the benchmark for the respective commodities. The variations in prices in these markets are normally reflected in the other markets.

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