

Wheat Domestic Fundamentals:

As per fourth advance estimate for 2016-17 wheat production is likely to be around 98.8 MMT which is higher compared to third advance estimate of 97.4 MMT. The total food grain production has been pegged at 275.68 MMT compared to 251.57 MMT in final estimate of 2015-16.

All India weekly average prices increased by 6.34 percent to Rs. 1884.72 per quintal during the week ended 08th August 2017. Wheat average price were ruling at Rs 1722.30 per quintal during 24-31 July 2017. As compared to prices in the week 01-08 August 2016, the prices are firm by 5.48 percent. Prices are expected to remain steady to firm in coming days.

India has received 518.3 mm of actual rainfall against 536.6 mm of normal rainfall since the beginning of monsoon season until 09th August. Northwest India is the only region to receive more than normal rainfall. During 17th to 23rd August rainfall activity is likely to be above normal over south peninsular India and adjoining central India. As of now neutral El Nino condition is prevailing and is likely to continue in the next two weeks.

India is likely to import 3-4 million tonnes of wheat in 2017-18 despite good production this year as wheat is available at lower prices in the international market. Traders in India have signed deals for import of 3 lakh tonnes of Ukrainian wheat recently and have imported 1.4 lakh tonnes from Australia in the month of June. More deals like these can be signed in near future. Furthermore analyst are expecting record crop in Russia at around 77 MMT, which will keep Russia's export quotes at a lower level. The only fear importers are facing is an increase in import duty or abrupt change in phytosanitary measures.

FCI will sell a total quantity 1094150 tonnes of wheat in different states through e-auction on 17th August at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 401000 tonnes is offered in Punjab followed by 220000 tonnes in Maharashtra, 173000 tonnes in Haryana, 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 48950 tonnes in M.P, 22000 tonnes in Tamil Nadu, 21800 tonnes in Karnataka, 20000 tonnes in Rajasthan, 17000 tonnes in Gujarat, 16500 tonnes in Kerala, 16000 tonnes in Delhi, 10000 tonnes in Assam, 7000 tonnes in Chandigarh, 5400 tonnes in Uttarakhand, 2000 tonnes in Bihar, 1500 tonnes in Himachal Pradesh, 1000 tonnes in Goa and 1000 tonnes in Jharkhand.

As per latest update, wheat stock in central pool as on 1st August'17 stood at 300.59 lakh tonnes down by 6.87% compared to last month. This quantity is higher by around 11.83% compared to last year for the same month. For the month of July off take from central pool was around 22.16 lakh tonnes compared to 33.02 lakh tonnes for July '2016 and 19.95 lakh tonnes for July'2015. Off take is likely to increase in the coming months due to seasonal demand. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

According to latest update, area sown until 03 February'17 is 317.81 lakh hectares compared to 297.25 lakh hectares in the previous Rabi season. Among various states the area is down in Jammu & Kashmir and Karnataka, whereas Punjab, Haryana and Uttar Pradesh have seen an increase in area compared to last year for the same date. The normal area is 304.05 lakh hectares. Area is expected to be higher this year as government has increased MSP of wheat which has motivated farmers to sow more area.

International Market Update:

GASC has purchased 355000 tonnes of wheat through tender. Of the total quantity 295000 tonnes is of Russian origin and 60000 tonnes is of Ukrainian origin. Union offered 120000 tonnes of Russian wheat at FoB \$193.80 per tonne, Louis Dreyfus offered 60000 tonnes of Ukrainian wheat at FoB \$193.80 per tonne, ECTP offered 60000 tonnes of Russian wheat at FoB \$193.80 per tonne, Louis Dreyfus offered 60000 tonnes of Russian wheat at FoB \$193.80 per tonne and Union offered 55000 tonnes of Russian wheat at FoB \$192.20 per tonne.

As per latest update by USDA on 13th August'17 around 33% of spring wheat is in good or excellent condition compared to 66% a year ago. Further around 97% of winter wheat has been harvested compared to 94% a week ago.

Wheat area in Ukraine came to around 6.28 million hectares. Farmers have harvested 26.0 MMT of wheat and the total grain harvest is likely to be around 63 MMT in 2017 compared to 66 MMT last year.

As on 10th August Russia has harvested 47.0 million tonnes of wheat compared to 47.9 million tonnes a year ago for the same date. Around 10.8 million hectares of area has been harvested with an average yield of 4.36 tonnes per hectare compared to 12.4 million hectares with an average yield of 3.85 tonnes per hectare a year ago for same date.

CBOT reached two-month low at \$4.40 per bushel as USDA estimated U.S. total wheat production at 1.739 billion bushels which is well above the average of analyst updates at 1.711 billion bushels. Furthermore U.S. export sales of wheat in the last week were estimated at 464200 tonnes, above its expected range of 250000 to 450000 tonnes.

Outlook: Cash market is expected to trade steady to firm in the near term.

Wheat Futures Contract: NCDEX Price								Date:17.08.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Aug	-11	1666	1663	1655	1655	390	310	3980	-1,060
17-Sep	-6	1670	1671	1666	1666	520	310	14980	370
17-Oct	0	1678	1678	1678	1678	-	-	-	-

Spread	Aug-17	Sep-17	Oct-17	
Spot Narela				
17-Aug	0			
17-Sep		11		
17-Oct			12	

Stocks	Demat	In- Process	Total	FED
	14.Aug.17	14.Aug.17	14.Aug.17	14.Aug.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15207	0	15207	15207
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 17.08.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Aug-17	16-Aug-17	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1655	Closed	-
	Nazafgarh	Mill Quality Loose	1670	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1700	1650	50
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	1725	1720	5
	Mathura	Mill Quality Loose	1580	1590	-10
	Kosi	Mill Quality Loose	1575	1585	-10
	Hathras	Mill Quality Loose	1600	1620	-20
	Aligarh	Mill Quality Loose	1610	Closed	-
Punjab	Khanna	Mill Quality Loose	1650	1650	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1710	1705	5
	Hodal	Mill Delivery	1780	1780	Unch

	Bhiwani	Mill Quality Loose	1670	1670	Unch
	Karnal	Mill Delivery	1670	1670	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	1700	1650	50
	Muzaffarpur	Mill Delivery	NA	NA	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Aug-17	16-Aug-17	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2250	Closed	-
Rajasthan	Kota	LokwanBilty	Closed	Closed	-
	Baran	Lokwan	1700	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Aug-17	16-Aug-17	
Delhi	Lawrence Road	Mill Delivery	8000	15000	-7000
	Narella	Mill Quality Loose	800	Closed	-
	Nazafgarh	Mill Quality Loose	500	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	1200	1500	-300
	Mathura	Mill Quality Loose	500	800	-300
	Kosi	Mill Quality Loose	800	800	Unch
	Hathras	Mill Quality Loose	250	30	220
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	500	-200
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	200	600	-400

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	17-Aug-17	16-Aug-17	Change
Atta (50kg) Ordinary	960	960	Unch
Maida Grade 1 (50KG)	1315	1315	Unch
Suji (50kg)	1390	1390	Unch
Chokar (50 kg)	699	699	Unch
Chokar (34 kg)	499	499	Unch
Chakki Atta (50kg)	995	1160	-165
Chakki Atta (50kg) Special	995	1160	-165
Chakki Atta (90kg) Superfine	NA	1918	-
Chakki Atta (50kg) Superfine	1080	1010	70

Wheat (CBOT) Future Price:16.08.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	429.50	435.75	417.00	419.25	-10.25
17-Dec	455.50	462.25	444.25	447.00	-9.00
18-Mar	476.50	483.00	466.25	469.50	-7.75
18-May	490.00	497.00	481.00	484.50	-6.50
18-Jul	502.00	507.50	494.00	496.50	-5.25
18-Sep	520.00	520.00	509.75	511.00	-4.25

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