

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 6.46 percent to Rs. 1762.94 per quintal during the week ended 15th August 2017. Wheat average price were ruling at Rs 1884.72 per quintal during 01-08 August 2017. As compared to prices in the week 09-15 August 2016, the prices are weak by 1.49 percent. Prices are expected to remain steady to firm in coming days.

India has received 572.4 mm of actual rainfall against 598.2 mm of normal rainfall since the beginning of monsoon season until 16th August. Northwest and East & Northeast India are the only regions to receive more than normal rainfall. In the week (10th – 16th August) India has received rainfall below LPA by 16% and the worst hit region was central India which received rainfall below LPA by 63%. Furthermore a low pressure is developing in the Bay of Bengal which is likely to bring in central India which has seen a weak monsoon in last week.

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.

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.

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:

As on 17th August Russia has harvested 55.7 million tonnes of wheat compared to 52.2 million tonnes a year ago for the same date. Around 13.0 million hectares of area has been harvested with an average yield of 4.27 tonnes per hectare compared to 14.4 million hectares with an average yield of 3.63 tonnes per hectare a year ago for same date.

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.

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:21.08.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Aug	+5	1662	1666	1656	1664	1920	1,530	3010	-970
17-Sep	-6	1666	1670	1658	1659	2250	1,730	16130	1,150
17-Oct	+9	1679	1694	1683	1689	410	320	380	240

Spread	Aug-17	Sep-17	Oct-17	
Spot Narela				
17-Aug	14			
17-Sep		20		
17-Oct			23	

Stocks	Demat	In- Process	Total	FED
	19.Aug.17	19.Aug.17	19.Aug.17	14.Aug.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15207	0	15207	15207
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 21.08.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Aug-17	19-Aug-17	
Delhi	Lawrence Road	Mill Delivery	1760	1765	-5
	Narella	Mill Quality Loose	1660	1670	-10
	Nazafgarh	Mill Quality Loose	1670	1670	Unch
Gujarat	Rajkot	Mill Delivery	Closed	1615	-
	Ahmedabad	Mill Delivery	Closed	1760	-
	Surat	Mill Delivery	Closed	1800	-
	Dhrol	Mill Quality Loose	NR	1630	-
M.P.	Indore	Mill Delivery	Closed	1650	-
	Bhopal	Mill Quality Loose	1675	1670	5
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	1710	1710	Unch
	Mathura	Mill Quality Loose	1575	1570	5
	Kosi	Mill Quality Loose	1570	1570	Unch
	Hathras	Mill Quality Loose	1610	1600	10
	Aligarh	Mill Quality Loose	1600	NA	-
Punjab	Khanna	Mill Quality Loose	1650	1650	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1705	1705	Unch
	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	NR	1700	-
	Muzaffarpur	Mill Delivery	NA	NA	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Aug-17	19-Aug-17	
Gujarat	Rajkot	Lokwan	Closed	1800	-
M.P.	Indore	Lokwan	Closed	2000	-
	Bhopal	Lokwan	1725	1725	Unch
	Bina	Sarbati 306	Closed	2250	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Aug-17	19-Aug-17	
Delhi	Lawrence Road	Mill Delivery	9000	8000	1000
	Narella	Mill Quality Loose	600	600	Unch
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	Closed	800	-
	Dhrol	Mill Quality Loose	NR	68	-
M.P.	Indore	Mill Quality Loose	Closed	1000	-
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	1000	600	400
	Mathura	Mill Quality Loose	1000	500	500
	Kosi	Mill Quality Loose	1200	500	700
	Hathras	Mill Quality Loose	350	85	265
	Aligarh	Mill Quality Loose	200	NA	-
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	30	30	Unch
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	21-Aug-17	19-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	995	Unch
Chakki Atta (50kg) Special	995	995	Unch
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1080	1080	Unch

Wheat (CBOT) Future Price:18.08.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	414.00	417.75	412.00	416.00	2.00
17-Dec	440.75	444.50	438.75	442.50	1.75
18-Mar	463.50	467.75	461.50	465.25	1.50
18-May	480.25	482.75	476.25	479.75	0.50
18-Jul	495.00	496.25	490.00	493.00	0.25
18-Sep	509.25	509.25	505.25	508.75	0.50

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