

Wheat Domestic Fundamentals:

IGC has raised its forecast for global wheat crop due to better than expected crop in black sea region. The global wheat crop in 2017-18 is expected to be around 742 MMT, up by 10 MMT from IGC previous forecast. This has led to an increase in carryover stocks by 7 MMT to 248 MMT. Import quotes for wheat from different origins to Tuticorin port has decreased compared to last week. As of now Tuticorin port price for APW is Rs 1840 per quintal, ASW is Rs 1775 per quintal and Ukrainian wheat at Rs 1675 per quintal.

All India weekly average prices increased by 3.84 percent to Rs. 1830.66 per quintal during the week ended 23rd August 2017. Wheat average price were ruling at Rs 1762.94 per quintal during 09-15 August 2017. As compared to prices in the week 16-23 August 2016, the prices are firm by 2.73 percent. Prices are expected to remain steady to weak in coming days.

FCI has offered a total of 7133302 tonnes of wheat through E-Auction since June until third tender in August. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports. In the month of June 115000 tonnes was sold against offered quantity of 1104050 tonnes, 34400 tonnes was sold in July against offered quantity of 4934602 tonnes and 30750 tonnes has been sold in three tenders of August against offered quantity of 3528700.

FCI has sold around 116462 metric tonnes of wheat in the month of July through OMSS compared to around 21826 metric tonnes in the month of June. Sales through OMSS is likely to increase in the coming months however they will be lower compared to last year due to ample availability in the domestic market.

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.

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 per update by USDA on 28th August, US have harvested 76 percent of spring wheat compared to 79 percent a year ago. Production in 2017-18 is likely to be around 47.33 MMT compared to 62.85 MMT. The fall in production is mainly due to lower area.

Ukraine has completed wheat harvest for 2017, harvesting a total 26.6 million tonnes of wheat with a yield of 4.18 tonnes per hectare. Furthermore exports and carryover stocks for 2017 are likely to be around 15.5 MMT and 1.9 MMT.

As per latest update, china has sold 17801 tonnes of wheat for average price of 2360 yuan (\$357.33) per tonne at an auction of state reserves. The quantity sold represents around 0.58 percent of 3052413 tonnes of wheat available at auction.

As on 24th August Russia has harvested 62.2 million tonnes of wheat compared to 58.9 million tonnes a year ago for the same date. Around 15.1 million hectares of area has been harvested with an average yield of 4.13 tonnes per hectare compared to 17.3 million hectares with an average yield of 3.40 tonnes per hectare a year ago for same date.

IGC has raised its forecast for global wheat crop due to better than expected crop in black sea region. The global wheat crop in 2017-18 is expected to be around 742 MMT, up by 10 MMT from IGC previous forecast. IGC has raised its wheat crop forecast for Russia and Ukraine to 80 MMT and 26 MMT respectively which will offset fall in Canada's wheat production. Russia is also expected to be top exporter of wheat in 2017-18.

As per latest update, Japan's ministry of agriculture bought 133791 MMT of food quality wheat from United States and Canada. Around 98574 MMT with minimum protein content of 14 percent has been bought from United States and 35217 MMT has been bought from Canada with minimum protein content of 13.5 percent to be loaded between August 21 and September 20.

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

Wheat Futures Contract: NCDEX Price								Date:29.08.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	-10	1650	1654	1641	1641	1610	1,310	14120	-1,070
17-Oct	-8	1668	1671	1662	1662	1040	720	3140	770
17-Nov	0	1689	1689	1689	1689	-	-	-	-

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-29			
17-Oct		21		
17-Nov			27	

Stocks	Demat	In- Process	Total	FED
	28.Aug.17	28.Aug.17	28.Aug.17	28.Aug.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12558	0	12558	12557
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 29.08.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Aug-17	28-Aug-17	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1670	1670	Unch
	Nazafgarh	Mill Quality Loose	1675	1675	Unch
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1770	1780	-10
	Dhrol	Mill Quality Loose	1595	1680	-85
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1680	1680	Unch
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1710	1715	-5
	Mathura	Mill Quality Loose	1575	1575	Unch
	Kosi	Mill Quality Loose	1565	1570	-5
	Hathras	Mill Quality Loose	1590	1610	-20
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	NA	1675	-
	Ludhiana (Jagraon)	Mill Delivery	NA	Closed	-
Haryana	Sirsa	Mill Delivery loose	NA	Closed	-
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1680	1660	20
	Karnal	Mill Delivery	1675	1670	5
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch
	Madurai	Mill Quality	2007	2007	Unch
	Coimbatore	Mill Quality	2007	2007	Unch
Bihar	Khagariya	Mill Delivery	1650	1650	Unch
	Muzaffarpur	Mill Delivery	1600	1600	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Aug-17	28-Aug-17	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1750	1750	Unch
	Bina	Sarbati 306	2300	NR	-
Rajasthan	Kota	LokwanBilty	1825	1825	Unch
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Aug-17	28-Aug-17	
Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality Loose	300	600	-300
	Nazafgarh	Mill Quality Loose	250	300	-50
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	40	105	-65
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	10000	10000	Unch
U.P.	Kanpur	Mill Quality Loose	1000	800	200
	Mathura	Mill Quality Loose	1500	200	1300
	Kosi	Mill Quality Loose	800	600	200
	Hathras	Mill Quality Loose	450	450	Unch
	Aligarh	Mill Quality Loose	250	300	-50
Punjab	Khanna	Mill Quality Loose	NA	500	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	Closed	-
Haryana	Sirsa	Mill Quality Loose	NA	Closed	-
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	29-Aug-17	28-Aug-17	Change
Atta (50kg) Ordinary	950	960	-10
Maida Grade 1 (50KG)	1315	1315	Unch
Suji (50kg)	1390	1390	Unch
Chokar (50 kg)	729	729	Unch
Chokar (34 kg)	489	489	Unch
Chakki Atta (50kg)	985	995	-10
Chakki Atta (50kg) Special	985	995	-10
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1075	1080	-5

Wheat (CBOT) Future Price:28.08.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	406.25	410.00	398.75	400.00	-9.50
17-Dec	433.50	436.50	426.50	428.00	-7.25
18-Mar	455.50	459.50	450.00	451.50	-6.75
18-May	470.00	473.75	464.50	466.00	-6.50
18-Jul	483.25	486.25	478.00	479.50	-6.00
18-Sep	500.25	501.00	494.00	495.25	-5.00

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