

Wheat Domestic Fundamentals:

FCI will sell a total quantity 1111050 tonnes of wheat in different states through e-auction on 31st August at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 366750 tonnes is offered in Punjab followed by 296000 tonnes in Maharashtra, 128450 tonnes in Haryana, 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 47550 tonnes in M.P, 29000 tonnes in Tamil Nadu, 20100 tonnes in Karnataka, 20000 tonnes in Rajasthan, 15500 tonnes in Kerala, 16000 tonnes in Gujarat, 16000 tonnes in Delhi, 7000 tonnes in Assam, 6200 tonnes in Uttarakhand, 6000 tonnes in Chandigarh, 6000 tonnes in J&K, 5000 tonnes in Uttar Pradesh, 4500 tonnes in Chhattisgarh, 3000 tonnes in Pondicherry, 2000 tonnes in Bihar, 2000 tonnes in Andhra Pradesh, 1500 tonnes in Himachal Pradesh, 1500 tonnes in Goa and 1000 tonnes in Jharkhand.

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.

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:

Russian milling wheat prices with 12.5% protein content decreased by around \$1 per tonne compared to last week. The fall in prices was due to higher production forecast, large stock and low export demand. Russia is expected to produce 78-80 MMT of wheat this year compared to 72 MMT last year. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$178-182/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$167-170/tonne.

GASC has purchased 295000 tonnes of wheat through tender. Of the total quantity 235000 tonnes is of Russian origin and 60000 tonnes is of Ukrainian origin. Daewoo offered 60000 tonnes of Russian wheat at FoB \$186.00 per tonne, Louis Dreyfus offered 60000 tonnes of Ukrainian wheat at FoB \$187.00 per tonne, GTCS offered 55000 tonnes of Russian wheat at FoB \$187.00 per tonne and 120000 tonnes of Russian wheat at FoB \$187.50 per tonne.

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.

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.

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

Wheat Futures Contract: NCDEX Price								Date:31.08.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	-1	1637	1639	1633	1636	1360	-810	12940	-470
17-Oct	-1	1657	1657	1651	1655	1350	-810	5230	830
17-Nov	0	1680	1680	1680	1680	10	-	20	10

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-19			
17-Oct		19		
17-Nov			25	

Stocks	Demat	In- Process	Total	FED
	30.Aug.17	30.Aug.17	30.Aug.17	28.Aug.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12558	0	12558	12557
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 31.08.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-17	30-Aug-17	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1655	Closed	-
	Nazafgarh	Mill Quality Loose	1665	Closed	-
Gujarat	Rajkot	Mill Delivery	1610	Closed	-
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	1605	1610	-5
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1720	1720	Unch
	Mathura	Mill Quality Loose	1575	1575	Unch
	Kosi	Mill Quality Loose	1570	1570	Unch
	Hathras	Mill Quality Loose	1630	1590	40
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1670	1660	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1700	Unch
	Hodal	Mill Delivery	NA	1740	-

	Bhiwani	Mill Quality Loose	1670	1675	-5
	Karnal	Mill Delivery	1670	1670	Unch
	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	NR	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-17	30-Aug-17	
Gujarat	Rajkot	Lokwan	1750	Closed	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1750	1750	Unch
	Bina	Sarbati 306	2300	Closed	-
Rajasthan	Kota	LokwanBilty	1825	1825	Unch
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Aug-17	30-Aug-17	
Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality Loose	600	Closed	-
	Nazafgarh	Mill Quality Loose	200	Closed	-
Gujarat	Rajkot	Mill Quality Loose	300	Closed	-
	Dhrol	Mill Quality Loose	34	40	-6
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	7000	7000	Unch
U.P.	Kanpur	Mill Quality Loose	1000	1200	-200
	Mathura	Mill Quality Loose	600	1000	-400
	Kosi	Mill Quality Loose	500	700	-200
	Hathras	Mill Quality Loose	300	450	-150
	Aligarh	Mill Quality Loose	250	Closed	-
Punjab	Khanna	Mill Quality Loose	600	300	300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	NA	30	-
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	31-Aug-17	30-Aug-17	Change
Atta (50kg) Ordinary	950	950	Unch
Maida Grade 1 (50KG)	1325	1325	Unch
Suji (50kg)	1185	1185	Unch
Chokar (50 kg)	749	749	Unch
Chokar (34 kg)	504	504	Unch
Chakki Atta (50kg)	985	985	Unch
Chakki Atta (50kg) Special	985	985	Unch
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1075	1075	Unch

Wheat (CBOT) Future Price:30.08.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	403.00	407.00	400.00	403.50	0.75
17-Dec	429.50	433.50	427.25	429.75	Unch
18-Mar	453.25	456.75	450.50	452.75	-0.75
18-May	467.50	470.25	464.00	466.00	-1.50
18-Jul	480.00	482.50	476.50	478.50	-1.50
18-Sep	496.00	497.75	492.00	494.25	-1.25

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