

Wheat Domestic Fundamentals:

India has received 683.60 mm of actual rainfall against 707.40 mm of normal rainfall since the beginning of monsoon season until 30th August. In the week (24th – 30th August) India has received rainfall above LPA by 24% and the worst hit region was East & Northeast India which received rainfall below LPA by -21%. Since the beginning of monsoon season Punjab, Chandigarh, Delhi, West Uttar Pradesh, East Madhya Pradesh and Vidharba have received deficient rainfall.

FCI has offered a total of 11808752 tonnes of wheat through E-Auction since June until fifth 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 43550 tonnes has been sold in five tenders of August against offered quantity of 5770100.

All India weekly average prices decreased by 1.17 percent to Rs. 1809.16 per quintal during the week ended 31st August 2017. Wheat average price were ruling at Rs 1830.66 per quintal during 16-23 August 2017. As compared to prices in the week 24-31 August 2016, the prices are weak by 0.67 percent. Prices are expected to remain steady to weak in coming days.

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.

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.

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 latest update, Japan's ministry of agriculture bought 125713 MMT of food quality wheat from United States and Canada. Around 67123 MMT with minimum protein content of 14 percent has been bought from United States and 58590 MMT has been bought from Canada with minimum protein content of 13.5 percent to be loaded between October 21 and November 20.

As per forecast of IKAR, Russia is likely to produce a record 81-84 MMT of wheat in 2017 compared to 77-80 MMT in 2016. The rise in production is mainly due to good yield this year (4.13 tonnes per hectare) compared to last year (3.40 tonnes per hectare).

The world's largest buyer of wheat has extended 13.5% moisture content limit by nine months. The extension was first implemented in February for nine months which was about to expire in October. The new nine month period will be active from 03rd October'17. However excessive moisture can reduce quality and increase risk of mould and insect damage. The limit has been extended to increase healthy competition among different origins that are willing to supply wheat in state tenders.

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.

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

Wheat Futures Contract: NCDEX Price								Date:04.09.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	-14	1595	1637	1595	1622	1420	670	12320	-400
17-Oct	-9	1643	1656	1643	1647	1320	720	6170	490
17-Nov	0	1676	1676	1676	1676	-	-	-	-

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-38			
17-Oct		25		
17-Nov			29	

Stocks	Demat	In- Process	Total	FED
	02.Sep.17	02.Sep.17	02.Sep.17	28.Aug.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12558	0	12558	12557
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 04.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Sep-17	2-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1660	1660	Unch
	Nazafgarh	Mill Quality Loose	1670	1665	5
Gujarat	Rajkot	Mill Delivery	1610	1610	Unch
	Ahmedabad	Mill Delivery	1740	1735	5
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	1685	1630	55
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	Closed	-
Rajasthan	Kota	Mill Quality Loose	1540	1550	-10
		Mill Delivery	1640	1650	-10
U.P.	Kanpur	Mill Delivery	1720	Closed	-
	Mathura	Mill Quality Loose	1585	1575	10
	Kosi	Mill Quality Loose	1570	1570	Unch
	Hathras	Mill Quality Loose	1585	Closed	-
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1680	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1700	Unch
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1670	1670	Unch
	Karnal	Mill Delivery	1665	1665	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	1615	1600	15
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Sep-17	2-Sep-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1725	Closed	-
	Bina	Sarbati 306	2300	Closed	-
Rajasthan	Kota	LokwanBilty	1750	1825	-75
	Baran	Lokwan	1650	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Sep-17	2-Sep-17	
Delhi	Lawrence Road	Mill Delivery	8000	6000	2000
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	300	50	250
Gujarat	Rajkot	Mill Quality Loose	900	800	100
	Dhrol	Mill Quality Loose	70	43	27
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	7000	800	6200
U.P.	Kanpur	Mill Quality Loose	800	Closed	-
	Mathura	Mill Quality Loose	1000	400	600
	Kosi	Mill Quality Loose	900	800	100
	Hathras	Mill Quality Loose	250	Closed	-
	Aligarh	Mill Quality Loose	250	50	200
Punjab	Khanna	Mill Quality Loose	350	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	20	30
	Bhiwani	Mill Quality Loose	400	200	200

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

Wheat Products Delhi	4-Sep-17	2-Sep-17	Change
Atta (50kg) Ordinary	950	950	Unch
Maida Grade 1 (50KG)	1125	1125	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:01.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	410.75	421.75	408.75	420.50	10.25
17-Dec	434.50	440.00	433.25	438.75	4.25
18-Mar	456.75	461.75	455.75	460.00	3.00
18-May	470.75	475.25	470.00	473.00	2.50
18-Jul	484.25	487.50	482.50	485.75	2.25
18-Sep	498.25	502.75	497.75	500.75	2.50

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