

Wheat Domestic Fundamentals:

All India average monthly prices for wheat increased by 0.67 percent from Rs 1766.32 (in July) to Rs 1778.12 per qtl in August-2017. Average price (August) is lower by 0.46 percent compared to price (Rs 1786.42 per qtl.) registered in August-2016. Demand from south Indian millers is weak and government may increase import duty in order to curb imports and provide support to domestic prices. With the beginning of festive season prices may get some support and are likely to move from steady to firm.

At import front, government has imposed 10 percent import duty in order to reduce flow of imports and provide domestic crop favourable grounds. In June India imported 1.64 lakh tonne wheat compared to 0.33 lakh tonnes in the month of May. Import will continue but volume is likely to decrease. India is expected to import 3 to 4 million tonnes in MY 2017-18.

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.

At export front prevailing market conditions are not in favour of Indian exporters due to huge price gap. The difference is around \$105-107 per tonne from Black Sea Region. Russia/Ukraine is offering wheat at \$169.00/171.50 per tonne on FoB basis while Indian FoB at Kandla port comes to \$277.30 per tonne. India exported 10.54 thousand tonne wheat in June. Total export in MY 2016-17 was registered around 96.27 thousand tonne from 1st April'16. There is no hope for recovery at export front this year.

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.

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 on 01st September Russia has harvested 67.8 million tonnes of wheat compared to 63.8 million tonnes a year ago for the same date. Around 17.7 million hectares of area has been harvested with an average yield of 3.84 tonnes per hectare compared to 20.1 million hectares with an average yield of 3.17 tonnes per hectare a year ago for same date. Russia is expected to harvest 80-82 million tonnes of wheat in 2017.

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.

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

Wheat Futures Contract: NCDEX Price								Date:05.09.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	+2	1620	1630	1620	1627	1200	-220	11880	-440
17-Oct	+2	1648	1651	1643	1650	870	-450	6650	+480
17-Nov	-	-	-	-	-	-	-	-	-

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-38			
17-Oct		23		
17-Nov			-	

Stocks	Demat	In- Process	Total	FED
	04.Sep.17	04.Sep.17	04.Sep.17	04.Sep.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12558	0	12558	12557
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 05.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Sep-17	4-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1665	1660	5
	Nazafgarh	Mill Quality Loose	1665	1670	-5
Gujarat	Rajkot	Mill Delivery	1600	1610	-10
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	1735	1685	50
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	Closed	1540	-
		Mill Delivery	Closed	1640	-
U.P.	Kanpur	Mill Delivery	1715	1720	-5
	Mathura	Mill Quality Loose	1575	1585	-10
	Kosi	Mill Quality Loose	1570	1570	Unch
	Hathras	Mill Quality Loose	1630	1585	45
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1675	1680	-5
	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	Closed	1950	-
	Madurai	Mill Quality	Closed	2007	-
	Coimbatore	Mill Quality	Closed	2007	-
Bihar	Khagariya	Mill Delivery	1650	1650	Unch
	Muzaffarpur	Mill Delivery	1615	1615	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Sep-17	4-Sep-17	
Delhi	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	800	500	300
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	1000	900	100
	Dhrol	Mill Quality Loose	75	70	5
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	Closed	7000	-
U.P.	Kanpur	Mill Quality Loose	1100	800	300
	Mathura	Mill Quality Loose	300	1000	-700
	Kosi	Mill Quality Loose	600	900	-300
	Hathras	Mill Quality Loose	350	250	100
	Aligarh	Mill Quality Loose	400	250	150
Punjab	Khanna	Mill Quality Loose	300	350	-50
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	5-Sep-17	4-Sep-17	Change
Atta (50kg) Ordinary	940	950	-10
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)	975	985	-10
Chakki Atta (50kg) Special	975	985	-10
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1065	1075	-10

Wheat (CBOT) Future Price:04.09.2017					
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

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2017 Indian Agribusiness Systems Pvt Ltd.