

Wheat Domestic Fundamentals:

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 1830 per quintal, ASW is Rs 1760 per quintal and Ukrainian wheat at Rs 1660 per quintal. India is likely to import 3-4 million tonnes of wheat in 2017-18. Government may increase import duty from 10% in order to curb imports and provide support to domestic prices.

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.

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:06.09.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	-3	1624	1629	1620	1622	1240	40	11240	-640
17-Oct	-5	1647	1650	1644	1645	910	40	7010	360
17-Nov	5	1675	1684	1675	1680	430	420	450	430

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-43			
17-Oct		23		
17-Nov			35	

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 06.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Sep-17	5-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1765	1760	5
	Narella	Mill Quality Loose	Closed	1665	-
	Nazafgarh	Mill Quality Loose	Closed	1665	-
Gujarat	Rajkot	Mill Delivery	1610	1600	10
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	1655	1735	-80
M.P.	Indore	Mill Delivery	Closed	1650	-
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1540	Closed	-
		Mill Delivery	1640	Closed	-
U.P.	Kanpur	Mill Delivery	1715	1715	Unch
	Mathura	Mill Quality Loose	1575	1575	Unch
	Kosi	Mill Quality Loose	1560	1570	-10
	Hathras	Mill Quality Loose	1595	1630	-35
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	1640	1675	-35
	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	1670	1665	5
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	1950	Closed	-
	Madurai	Mill Quality	2007	Closed	-
	Coimbatore	Mill Quality	2007	Closed	-
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
			6-Sep-17	5-Sep-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	Closed	2000	-
	Bhopal	Lokwan	1725	1725	Unch
	Bina	Sarbati 306	Closed	2300	-
Rajasthan	Kota	LokwanBilty	1750	Closed	-
	Baran	Lokwan	1650	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Sep-17	5-Sep-17	
Delhi	Lawrence Road	Mill Delivery	7500	8000	-500
	Narella	Mill Quality Loose	Closed	800	-
	Nazafgarh	Mill Quality Loose	Closed	200	-
Gujarat	Rajkot	Mill Quality Loose	900	1000	-100
	Dhrol	Mill Quality Loose	75	75	Unch
M.P.	Indore	Mill Quality Loose	Closed	1000	-
Rajasthan	Kota	Mill Quality	7000	Closed	-
U.P.	Kanpur	Mill Quality Loose	900	1100	-200
	Mathura	Mill Quality Loose	600	300	300
	Kosi	Mill Quality Loose	600	600	Unch
	Hathras	Mill Quality Loose	150	350	-200
	Aligarh	Mill Quality Loose	Closed	400	-
Punjab	Khanna	Mill Quality Loose	900	300	600
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	200	200

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

Wheat Products Delhi	6-Sep-17	5-Sep-17	Change
Atta (50kg) Ordinary	940	940	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)	975	975	Unch
Chakki Atta (50kg) Special	975	975	Unch
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1065	1065	Unch

Wheat (CBOT) Future Price:05.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	428.25	433.50	428.00	430.50	10.00
17-Dec	441.25	446.75	439.50	443.00	4.25
18-Mar	462.25	467.75	460.75	463.25	3.25
18-May	474.25	480.25	473.50	475.25	2.25
18-Jul	488.00	492.50	485.75	487.25	1.50
18-Sep	502.25	506.75	502.00	502.50	1.75

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