

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:

Australia's quotes for APW have increased to \$230/T highest in last two weeks. Dry weather accompanied with firm Australian dollar has led to an increase of \$3.50/T in last two weeks. Production is likely to be around 22 MMT compared to last year's exceptional crop of 35 MMT.

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 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:07.09.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	5	1627	1634	1621	1628	1220	-20	10440	-800
17-Oct	6	1658	1658	1647	1655	1110	200	7370	360
17-Nov	0	1682	1684	1675	1682	430	0	450	0

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-42			
17-Oct		27		
17-Nov			27	

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 07.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Sep-17	6-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1670	Closed	-
	Nazafgarh	Mill Quality Loose	1665	Closed	-
Gujarat	Rajkot	Mill Delivery	1605	1610	-5
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1775	1780	-5
	Dhrol	Mill Quality Loose	1665	1655	10
M.P.	Indore	Mill Delivery	1650	Closed	-
	Bhopal	Mill Quality Loose	1675	1650	25
Rajasthan	Kota	Mill Quality Loose	1540	1540	Unch
		Mill Delivery	1640	1640	Unch
U.P.	Kanpur	Mill Delivery	1715	1715	Unch
	Mathura	Mill Quality Loose	1575	1575	Unch
	Kosi	Mill Quality Loose	1560	1560	Unch
	Hathras	Mill Quality Loose	1595	1595	Unch
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1680	1640	40
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1700	Unch
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1675	1670	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	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
			7-Sep-17	6-Sep-17	
Gujarat	Rajkot	Lokwan	1750	1800	-50
M.P.	Indore	Lokwan	1900	Closed	-
	Bhopal	Lokwan	1750	1725	25
	Bina	Sarbati 306	2250	Closed	-
Rajasthan	Kota	LokwanBilty	1700	1750	-50
	Baran	Lokwan	NR	1650	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Sep-17	6-Sep-17	
Delhi	Lawrence Road	Mill Delivery	8000	7500	500
	Narella	Mill Quality Loose	600	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	900	-300
	Dhrol	Mill Quality Loose	59	75	-16
M.P.	Indore	Mill Quality Loose	1500	Closed	-
Rajasthan	Kota	Mill Quality	10000	7000	3000
U.P.	Kanpur	Mill Quality Loose	800	900	-100
	Mathura	Mill Quality Loose	200	600	-400
	Kosi	Mill Quality Loose	500	600	-100
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	250	Closed	-
Punjab	Khanna	Mill Quality Loose	300	900	-600
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	25	50	-25
	Bhiwani	Mill Quality Loose	300	400	-100

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

Wheat Products Delhi	7-Sep-17	6-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:06.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	425.00	428.00	421.00	421.75	-8.75
17-Dec	441.00	448.00	439.25	445.75	2.75
18-Mar	461.50	469.00	459.50	467.00	3.75
18-May	473.50	481.75	472.25	480.25	5.00
18-Jul	487.00	494.00	484.50	493.25	6.00
18-Sep	500.00	509.25	500.00	508.00	5.50

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