

**Wheat Domestic Fundamentals:**

**All India weekly average prices decreased by 0.51 percent to Rs. 1799.86 per quintal during the week ended 08th September 2017.** Wheat average price were ruling at Rs 1809.16 per quintal during 24-31 August 2017. As compared to prices in the week 01-08 September 2016, the prices are weak by 1.57 percent. Prices are expected to remain steady to weak in coming days.

**India is continuously importing wheat from Black sea region and Australia as it is cheaper compared to domestic wheat even after including the current import duty of 10%.** As of now Rajkot mill quality is being offered at \$256 per tonne whereas millers in India have contracted to import 8 lakh tonnes from blacksea region at CnF \$200-210 per tonne. Government is considering to increase import duty in order to curb wheat imports and provide support to domestic wheat prices. Sowing of wheat is likely to start in coming months and if prices remain at low level overall acreage may fall in comparison to last year.

**India is likely to import 800000 tonnes of wheat in september and october from blacksea region at \$200-210 per tonne cost and freight after taking into account 10% of duty.** According to traders there is not much price advantage, millers are buying to ensure smooth supplies in November and December. The only fear importers are facing is an increase in import duty or abrupt change in phytosanitary measures.

**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.

**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:**

**Russian milling wheat prices with 12.5% protein content increased by around \$3 per tonne compared to last week.** The rise in prices was due to strong rouble. Russia is expected to produce 80-82 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 \$181-185/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$169-174/tonne.

**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.

**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:11.09.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	-19	1619	1619	1596	1599	7820	2,430	4240	-3,740
17-Oct	-23	1645	1648	1625	1626	6550	1,940	13490	3,990
17-Nov	-21	1680	1676	1655	1659	100	-350	480	480

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-66			
17-Oct		27		
17-Nov			33	

Stocks	Demat	In- Process	Total	FED
	09.Sep.17	09.Sep.17	09.Sep.17	04.Sep.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12557	0	12557	12557
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 11.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Sep-17	9-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1770	1765	5
	Narella	Mill Quality Loose	1665	1665	Unch
	Nazafgarh	Mill Quality Loose	1670	1670	Unch
Gujarat	Rajkot	Mill Delivery	1585	1590	-5
	Ahmedabad	Mill Delivery	1750	1740	10
	Surat	Mill Delivery	1790	1780	10
	Dhrol	Mill Quality Loose	1615	NR	-
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1675	1700	-25
Rajasthan	Kota	Mill Quality Loose	1530	1530	Unch
		Mill Delivery	1630	1630	Unch
U.P.	Kanpur	Mill Delivery	1720	1715	5
	Mathura	Mill Quality Loose	1575	1585	-10
	Kosi	Mill Quality Loose	1585	1585	Unch
	Hathras	Mill Quality Loose	NR	1580	-
	Aligarh	Mill Quality Loose	1590	1600	-10
Punjab	Khanna	Mill Quality Loose	1660	1675	-15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1695	1700	-5
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1670	1670	Unch
	Karnal	Mill Delivery	1670	1675	-5
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	1900	1900	Unch
	Madurai	Mill Quality	1957	1957	Unch
	Coimbatore	Mill Quality	1957	1957	Unch
Bihar	Khagariya	Mill Delivery	1650	1650	Unch
	Muzaffarpur	Mill Delivery	1600	1615	-15
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Sep-17	9-Sep-17	
Gujarat	Rajkot	Lokwan	1800	1750	50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1725	1750	-25
	Bina	Sarbati 306	NR	2250	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	NR	NR	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Sep-17	9-Sep-17	
Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality Loose	500	NA	-
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	1100	800	300
	Dhrol	Mill Quality Loose	99	NR	-
M.P.	Indore	Mill Quality Loose	1000	1500	-500
Rajasthan	Kota	Mill Quality	6000	7000	-1000
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	300	900	-600
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	NR	300	-
	Aligarh	Mill Quality Loose	300	500	-200
Punjab	Khanna	Mill Quality Loose	700	300	400
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	20	30	-10
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	11-Sep-17	9-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:08.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	415.75	415.75	412.50	413.75	0.25
17-Dec	436.75	442.00	435.50	437.75	0.50
18-Mar	458.00	463.75	458.00	459.25	0.50
18-May	471.50	477.50	471.25	473.50	1.50
18-Jul	486.00	490.25	485.00	486.75	2.00
18-Sep	499.25	504.75	499.25	501.75	2.25

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