

### **Wheat Domestic Fundamentals:**

**Import quotes for wheat from different origins to Tuticorin port has increased compared to last week.** As of now Tuticorin port price for APW is Rs 1860 per quintal, ASW is Rs 1780 per quintal and Ukrainian wheat at Rs 1670 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. Fall in production forecast for Australia has increased quotes for APW and ASW.

**FCI will sell a total quantity 1034600 tonnes of wheat in different states through e-auction** on 14th September at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 326500 tonnes in Maharashtra followed by 195350 tonnes is offered in Punjab, 151050 tonnes in Haryana, 100000 tonnes in M.P, 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 35000 tonnes in Tamil Nadu, 19000 tonnes in Karnataka, 20000 tonnes in Rajasthan, 16000 tonnes in Delhi, 14500 tonnes in Kerala, 12500 tonnes in Gujarat, 3000 tonnes in Assam, 6000 tonnes in Chandigarh, 6000 tonnes in J&K, 5000 tonnes in Uttar Pradesh, 4700 tonnes in Uttarakhand, , 3000 tonnes in Pondicherry, 2000 tonnes in Bihar, 2000 tonnes in Andhra Pradesh, 1500 tonnes in Himachal Pradesh, 500 tonnes in Goa and 1000 tonnes in Jharkhand.

**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.

**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 update by USDA on 11th September, US have harvested 95 percent of spring wheat compared to 94 percent a year ago.** Production in 2017-18 is likely to be around 47.33 MMT compared to 62.85 MMT. The fall in production is mainly due to lower area.

**As per latest update by ABARES, Australia has reduced its wheat production forecast to 21.6 MMT from 23.98 MMT in March due to dry weather.** Most of the Australia's wheat producing regions has received less than half of average rainfall between June 1 and August 31.

**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.

**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.

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

Wheat Futures Contract: NCDEX Price								Date:12.09.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	+11	1600	1615	1601	1611	430	-7,390	680	-3,560
17-Oct	+4	1630	1638	1626	1631	1810	-4,740	13830	+340
17-Nov	-8	1663	1669	1655	1655	130	+30	550	+70

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-59			
17-Oct		20		
17-Nov			24	

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 12.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Sep-17	11-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1770	1770	Unch
	Narella	Mill Quality Loose	1670	1665	5
	Nazafgarh	Mill Quality Loose	1670	1670	Unch
Gujarat	Rajkot	Mill Delivery	1575	1585	-10
	Ahmedabad	Mill Delivery	1740	1750	-10
	Surat	Mill Delivery	1780	1790	-10
	Dhrol	Mill Quality Loose	1630	1615	15
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1675	1675	Unch
Rajasthan	Kota	Mill Quality Loose	1530	1530	Unch
		Mill Delivery	1630	1630	Unch
U.P.	Kanpur	Mill Delivery	1705	1720	-15
	Mathura	Mill Quality Loose	1575	1575	Unch
	Kosi	Mill Quality Loose	1585	1585	Unch
	Hathras	Mill Quality Loose	1590	NR	-
	Aligarh	Mill Quality Loose	1600	1590	10
Punjab	Khanna	Mill Quality Loose	1675	1660	15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1695	5
	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	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	1600	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Sep-17	11-Sep-17	
Gujarat	Rajkot	Lokwan	1750	1800	-50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1725	1725	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1675	NR	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Sep-17	11-Sep-17	
Delhi	Lawrence Road	Mill Delivery	9000	10000	-1000
	Narella	Mill Quality Loose	500	500	Unch
	Nazafgarh	Mill Quality Loose	300	200	100
Gujarat	Rajkot	Mill Quality Loose	600	1100	-500
	Dhrol	Mill Quality Loose	45	99	-54
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	6000	6000	Unch
U.P.	Kanpur	Mill Quality Loose	800	800	Unch
	Mathura	Mill Quality Loose	200	300	-100
	Kosi	Mill Quality Loose	800	400	400
	Hathras	Mill Quality Loose	12	NR	-
	Aligarh	Mill Quality Loose	250	300	-50
Punjab	Khanna	Mill Quality Loose	300	700	-400
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	25	20	5
	Bhiwani	Mill Quality Loose	400	200	200

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

Wheat Products Delhi	12-Sep-17	11-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:11.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	417.75	418.50	412.25	412.25	-1.50
17-Dec	437.75	440.00	431.50	434.75	-3.00
18-Mar	459.00	461.00	452.75	455.25	-4.00
18-May	474.00	474.75	467.50	470.00	-3.50
18-Jul	487.00	488.00	480.75	483.50	-3.25
18-Sep	501.75	502.00	496.25	498.75	-3.00

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