

Wheat Domestic Fundamentals:

As per latest update, wheat stock in central pool as on 1st September'17 stood at 278.16 lakh tonnes down by 7.46% compared to last month. This quantity is higher by around 14.73% compared to last year for the same month. For the month of August off take from central pool was around 22.43 lakh tonnes compared to 26.34 lakh tonnes for August'2016 and 15.02 lakh tonnes for August'2015. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

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.

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:

Russian milling wheat prices with 12.5% protein content increased by around \$2-3 per tonne compared to last week. As per traders prices have already touched their lowest level. Furthermore farmers are also holding onto their crops in expectation of better prices. 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 \$184-187/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$172-175/tonne.

As per latest update, Japan's ministry of agriculture bought 139382 MMT of food quality wheat from United States, Canada and Australia. Around 55645 MMT with minimum protein content of 14 percent has been bought from United States to be loaded between October 21 and November 20, 33595 MMT of standard white wheat has been bought from west Australia to be loaded between November 01 and November 30 and 50142 MMT with minimum protein content of 13.5 percent has been bought from United States to be loaded between October 21 and November 20.

As per estimate by Rosario grains exchange, Argentina has planted around 5.4 million hectares of wheat in 2017-18 which is slightly lower than the previous estimate of 5.45 million hectares. wheat harvest for 2017-18 is expected to be 17 million tonnes.

Blacksea region has exported record wheat to Asia in the month of August as exporters took advantage of record output, higher quality and lower crop size in Australia. As per Thompson Reuters flows data blacksea region accounted for more than 40 percent of 6.5 MMT of wheat exported to Asia in the month of August.

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

Wheat Futures Contract: NCDEX Price								Date:14.09.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	10	1616	1626	1625	1626	120	-130	630	0
17-Oct	15	1637	1652	1637	1650	1500	910	14140	140
17-Nov	21	1666	1675	1666	1675	50	-80	570	20

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-44			
17-Oct		24		
17-Nov			25	

Stocks	Demat	In- Process	Total	FED
	13.Sep.17	13.Sep.17	13.Sep.17	11.Sep.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12557	200	12757	12557
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 14.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Sep-17	13-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1670	Closed	-
	Nazafgarh	Mill Quality Loose	1670	Closed	-
Gujarat	Rajkot	Mill Delivery	1580	1580	Unch
	Ahmedabad	Mill Delivery	1735	1750	-15
	Surat	Mill Delivery	1780	1790	-10
	Dhrol	Mill Quality Loose	1690	1600	90
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1625	1675	-50
Rajasthan	Kota	Mill Quality Loose	1530	1530	Unch
		Mill Delivery	1620	1630	-10
U.P.	Kanpur	Mill Delivery	1715	1710	5
	Mathura	Mill Quality Loose	1575	1575	Unch
	Kosi	Mill Quality Loose	1580	1580	Unch
	Hathras	Mill Quality Loose	1580	1590	-10
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1670	1690	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1700	Unch
	Hodal	Mill Delivery	1740	Closed	-

	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	1900	50
	Madurai	Mill Quality	2007	1957	50
	Coimbatore	Mill Quality	2007	1957	50
Bihar	Khagariya	Mill Delivery	1650	1650	Unch
	Muzaffarpur	Mill Delivery	1610	1610	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Sep-17	13-Sep-17	
Gujarat	Rajkot	Lokwan	1800	1775	25
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1725	1725	Unch
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1675	1650	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Sep-17	13-Sep-17	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	250	Closed	-
Gujarat	Rajkot	Mill Quality Loose	900	800	100
	Dhrol	Mill Quality Loose	29	85	-56
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	2000	5000	-3000
U.P.	Kanpur	Mill Quality Loose	900	800	100
	Mathura	Mill Quality Loose	1000	400	600
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	80	12	68
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	20	Closed	-
	Bhiwani	Mill Quality Loose	200	NA	-

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

Wheat Products Delhi	14-Sep-17	13-Sep-17	Change
Atta (50kg) Ordinary	940	940	Unch
Maida Grade 1 (50KG)	1125	1125	Unch
Suji (50kg)	1185	1185	Unch
Chokar (50 kg)	734	749	-15
Chokar (34 kg)	492	504	-12
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:13.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	426.00	426.00	420.75	420.75	1.25
17-Dec	441.25	449.75	441.25	443.25	1.25
18-Mar	462.00	469.25	461.25	462.75	0.75
18-May	476.50	482.50	475.25	476.50	0.50
18-Jul	489.00	495.00	487.75	488.75	-0.25
18-Sep	504.50	509.25	502.25	502.50	-1.00

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