

Wheat Domestic Fundamentals:

Wheat WPI has increased from 136.3 in July to 137.1 in August-2017. As compared to August-16, wheat WPI is down by around 2.00 and up by 11.00 compared to August -2015.

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:

As on 14th September Russia has harvested 75.70 million tonnes of wheat compared to 70.5 million tonnes a year ago for the same date. Around 21.6 million hectares of area has been harvested with an average yield of 3.51 tonnes per hectare compared to 23.9 million hectares with an average yield of 2.95 tonnes per hectare a year ago for same date. Russia is expected to harvest 80-82 million tonnes of wheat in 2017.

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.

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

Wheat Futures Contract: NCDEX Price							Date:15.09.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Sep	+5	1626	1631	1625	1631	260	140	320	-310
17-Oct	-2	1654	1658	1639	1647	1610	110	14340	200
17-Nov	+3	1676	1690	1669	1675	850	800	610	40

Spread	Sep-17	Oct-17	Nov-17	
Spot Narela				
17-Sep	-39			
17-Oct		16		
17-Nov			28	

Stocks	Demat	In- Process	Total	FED
	14.Sep.17	14.Sep.17	14.Sep.17	11.Sep.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12756	0	12756	12557
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 15.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Sep-17	14-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1670	1670	Unch
	Nazafgarh	Mill Quality Loose	1670	1670	Unch
Gujarat	Rajkot	Mill Delivery	1580	1580	Unch
	Ahmedabad	Mill Delivery	1740	1735	5
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	1630	1690	-60
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1530	1530	Unch
		Mill Delivery	1620	1620	Unch
U.P.	Kanpur	Mill Delivery	1710	1715	-5
	Mathura	Mill Quality Loose	1575	1575	Unch
	Kosi	Mill Quality Loose	1580	1580	Unch
	Hathras	Mill Quality Loose	1580	1580	Unch
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1690	1670	20
	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	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	1610	5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Sep-17	14-Sep-17	
Gujarat	Rajkot	Lokwan	1750	1800	-50
M.P.	Indore	Lokwan	2000	1900	100
	Bhopal	Lokwan	1725	1725	Unch
	Bina	Sarbati 306	2250	NR	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1675	1675	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Sep-17	14-Sep-17	
Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality Loose	600	400	200
	Nazafgarh	Mill Quality Loose	200	250	-50
Gujarat	Rajkot	Mill Quality Loose	500	900	-400
	Dhrol	Mill Quality Loose	29	29	Unch
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Quality Loose	1100	900	200
	Mathura	Mill Quality Loose	700	1000	-300
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	150	80	70
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	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	15-Sep-17	14-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	734	Unch
Chokar (34 kg)	492	492	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:14.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	428.25	428.25	426.00	428.25	7.50
17-Dec	444.00	450.50	441.75	443.00	-0.25
18-Mar	463.75	470.00	461.25	462.50	-0.25
18-May	477.00	483.25	475.00	476.25	-0.25
18-Jul	490.50	494.75	487.25	488.25	-0.50
18-Sep	504.00	508.50	501.00	502.25	-0.25

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