

Wheat Domestic Fundamentals:

At import front, government has imposed 10 percent import duty in order to reduce flow of imports and provide domestic crop favorable grounds. In July, India imported 1.049 lakh tonne wheat compared to 1.64 lakh tonnes in the month of June. Import will continue but volume is likely to decrease. India is expected to import 3 to 4 million tonnes in MY 2017-18. Total import until September'17 since April'17 is expected to be 1.38 MMT.

FCI will sell a total quantity 1071200 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 371300 tonnes in Haryana followed by 299500 tonnes in Maharashtra 140600 tonnes is offered in Punjab, 100000 tonnes in M.P, 40000 tonnes in Tamil Nadu, 20000 tonnes in Rajasthan, 19300 tonnes in Karnataka, 16000 tonnes in Delhi, 14000 tonnes in Kerala, 11000 tonnes in Gujarat, 6500 tonnes in J&K, 6000 tonnes in Chandigarh, 5000 tonnes in Uttar Pradesh, 4300 tonnes in Assam, 4200 tonnes in Uttarakhand, 3500 tonnes in Chhattisgarh, 3000 tonnes in Pondicherry, 2000 tonnes in Bihar, 2000 tonnes in Andhra Pradesh, 1500 tonnes in Himachal Pradesh, 1000 tonnes in Jharkhand and 500 tonnes in Goa.

All India weekly average prices increased by 7.28 percent to Rs. 1930.87 per quintal during the week ended 15th September 2017. Wheat average price were ruling at Rs 1799.86 per quintal during 01-08 September 2017. As compared to prices in the week 09-15 September 2016, the prices are firm by 8.63 percent. Prices are expected to remain steady to firm in coming days.

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 1880 per quintal, ASW is Rs 1810 per quintal and Ukrainian wheat at Rs 1700 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.

India has received 752.70 mm of actual rainfall against 802.00 mm of normal rainfall since the beginning of monsoon season until 13th September. In the week (07th to 13th September) India has received rainfall below LPA by -31% and the worst hit region was Northwest India which received rainfall below LPA by -72%. Since the beginning of monsoon season Punjab, Chandigarh, Delhi, West Uttar Pradesh, East Madhya Pradesh and Vidharba have received deficient rainfall.

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.

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 22nd September Russia has harvested 80.8 million tonnes of wheat compared to 72.7 million tonnes a year ago for the same date. Around 23.9 million hectares of area has been harvested with an average yield of 3.37 tonnes per hectare compared to 25.3 million hectares with an average yield of 2.88 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. Firmness in prices is due to strengthening of Russian currency and unresolved problem of imported wheat by Egypt. As per traders prices have already touched their lowest level. 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 \$186-190/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$176-180/tonne.

GASC has purchased 175000 tonnes of Russian wheat through tender. ADM offered 60000 tonnes of Russian wheat at FoB \$195.00 per tonnes; GTCS offered 60000 tonnes and 55000 tonnes of Russian wheat at FoB \$198.00 per tonne and FoB \$197 per tonne respectively.

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

Wheat Futures Contract: NCDEX Price								Date:22.09.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Oct	-6	1634	1638	1633	1634	600	130	13230	-490
17-Nov	-10	1669	1659	1659	1659	510	500	1250	490
17-Dec	-8	1698	1690	1690	1690	10	0	20	10

Spread	Oct-17	Nov-17	Dec-17	
Spot Narela				
17-Oct	-46			
17-Nov		25		
17-Dec			31	

Stocks	Demat	In- Process	Total	FED
	21.Sep.17	21.Sep.17	21.Sep.17	18.Sep.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12756	0	12756	12757
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 22.09.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Sep-17	21-Sep-17	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1680	1680	Unch
	Nazafgarh	Mill Quality Loose	1660	1660	Unch
Gujarat	Rajkot	Mill Delivery	1570	1570	Unch
	Ahmedabad	Mill Delivery	1760	1750	10
	Surat	Mill Delivery	1800	1800	Unch
	Dhrol	Mill Quality Loose	1580	1590	-10
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1625	NA	-
Rajasthan	Kota	Mill Quality Loose	NR	Closed	-
		Mill Delivery	NR	Closed	-
U.P.	Kanpur	Mill Delivery	1710	1710	Unch
	Mathura	Mill Quality Loose	Closed	1575	-
	Kosi	Mill Quality Loose	1585	1575	10
	Hathras	Mill Quality Loose	1590	NR	-
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1690	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1695	5
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1690	1675	15
	Karnal	Mill Delivery	1670	1670	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	NR	Closed	-
	Madurai	Mill Quality	NR	Closed	-
	Coimbatore	Mill Quality	NR	Closed	-
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
			22-Sep-17	21-Sep-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	NA	-
	Bina	Sarbati 306	NR	2260	-
Rajasthan	Kota	LokwanBilty	NR	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Sep-17	21-Sep-17	
Delhi	Lawrence Road	Mill Delivery	7000	7500	-500
	Narella	Mill Quality Loose	NA	500	-
	Nazafgarh	Mill Quality Loose	400	400	Unch
Gujarat	Rajkot	Mill Quality Loose	500	800	-300
	Dhrol	Mill Quality Loose	55	42	13
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	NR	Closed	-
U.P.	Kanpur	Mill Quality Loose	900	1200	-300
	Mathura	Mill Quality Loose	Closed	1000	-
	Kosi	Mill Quality Loose	300	700	-400
	Hathras	Mill Quality Loose	NA	NR	-
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	500	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	20	20	Unch
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	22-Sep-17	21-Sep-17	Change
Atta (50kg) Ordinary	940	940	Unch
Maida Grade 1 (50KG)	1125	1125	Unch
Suji (50kg)	1185	1185	Unch
Chokar (50 kg)	744	744	Unch
Chokar (34 kg)	498	498	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:21.09.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	451.75	454.50	445.50	452.50	2.75
18-Mar	471.25	473.75	465.50	472.00	2.25
18-May	484.50	486.50	479.50	485.00	1.75
18-Jul	495.25	497.75	490.75	496.25	1.75
18-Sep	510.25	512.00	505.50	510.75	2.25
18-Dec	527.00	530.75	525.00	529.00	2.75

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