

Wheat Domestic Fundamentals:

All India average monthly prices for wheat increased by 6.85 percent from Rs 1769.02 (in August) to Rs 1890.24 per qtl in September-2017. Average price (September) is higher by 7.80 percent compared to price (Rs 1753.40 per qtl.) registered in September-2016. Demand from south Indian millers is weak and government may increase import duty in order to curb imports and provide support to domestic prices.

India has received 841.3 mm of actual rainfall against 887.5 mm of normal rainfall in 2017 monsoon. In 2017 monsoon season deficient rainfall were recorded in Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Madhya Pradesh and Vidharba. All other remaining regions received normal or excess rainfall. Excess rainfall was recorded in west Rajasthan, Saurashtra & kutch, Rayalseema, Tamil Nadu and Pondicherry.

FCI has offered a total of 15177552 tonnes of wheat through E-Auction since June until third tender in September. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports. In the month of June 115000 tonnes was sold against offered quantity of 1104050 tonnes, 34400 tonnes was sold in July against offered quantity of 4934602 tonnes, 43550 tonnes was sold in August against offered quantity of 5770100 tonnes and 16350 tonnes has been sold in three tenders of September against offered quantity of 3368800.

The demand for Indian wheat in the international market is low. Export window remains restricted due to huge disparity. Other countries like Australia, Russia and Ukraine are able to provide wheat at lower quotes compared to India. In the month of July, India exported 11.65 thousand tonnes of wheat compared to 10.54 in the previous month. India has exported 99.91 thousand tonnes of wheat since April'17 until July'17.

FCI will sell a total quantity 1090550 tonnes of wheat in different states through e-auction on 05th October at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 320000 tonnes in Maharashtra followed by 279700 tonnes in Haryana, 140750 tonnes in Punjab, 100000 tonnes in M.P, 60000 tonnes in West Bengal, 45000 tonnes in Odhisa, 32500 tonnes in Tamil Nadu, 20000 tonnes in Rajasthan, 19300 tonnes in Karnataka, 16000 tonnes in Delhi, 11600 tonnes in Kerala, 10000 tonnes in Gujarat, 7000 tonnes in J&K, 5500 tonnes in Chandigarh, 5000 tonnes in Uttar Pradesh, 4700 tonnes in Uttarakhand, 2500 tonnes in Pondicherry, 2000 tonnes in Bihar, 2000 tonnes in Andhra Pradesh, 1500 tonnes in Himachal Pradesh, 1000 tonnes in Jharkhand and 1000 tonnes in Goa.

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:

GASC has purchased 180000 tonnes of Russian wheat through tender. Grant Logistics offered 60000 tonnes of Russian wheat at FoB \$197.95 per tonnes; Friends offered 60000 tonnes and 60000 tonnes of Russian wheat at FoB \$199.00 per tonne and FoB \$200.00 per tonne respectively.

Algeria state grains agency OAIC has bought around 480000 tonnes of milling wheat in a tender that closed on Thursday. The prices paid were in the range of \$211.00 - \$212.00 per tonne (Cost and Freight). The quantity to be shipped is due in December. Major part of the quantity is likely to be sourced from France.

As per U.S. department of Agriculture, on 02nd October around 36% of winter wheat has been planted compared to 41% a year ago. Production for 2017-18 is expected to be 47.33 MMT compared to 62.85 MMT last year.

Russian milling wheat prices with 12.5% protein content increased by around \$4-5 per tonne compared to last week. Prices have strengthened compared to last week as farmers are holding on to their stocks. Farmer selling is expected to be moderate in coming week. 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 \$190-194/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$180-185/tonne.

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

Wheat Futures Contract: NCDEX Price								Date:04.10.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Oct	0	1619	1621	1614	1619	1660	760	7230	-1,260
17-Nov	4	1641	1645	1636	1645	1820	1,210	7070	1,210
17-Dec	-7	1663	1656	1656	1656	10	-	30	-

Spread	Oct-17	Nov-17	Dec-17	
Spot Narela				
17-Oct	-46			
17-Nov		26		
17-Dec			11	

Stocks	Demat	In- Process	Total	FED
	3.Oct.17	3.Oct.17	3.Oct.17	29.Sep.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12756	0	12756	12757
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 4.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Oct-17	3-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	Closed	1665	-
	Nazafgarh	Mill Quality Loose	Closed	1665	-
Gujarat	Rajkot	Mill Delivery	1555	1550	5
	Ahmedabad	Mill Delivery	1720	1710	10
	Surat	Mill Delivery	1760	1750	10
	Dhrol	Mill Quality Loose	1665	1575	90
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	Closed	1530	-
		Mill Delivery	Closed	1620	-
U.P.	Kanpur	Mill Delivery	1705	1710	-5
	Mathura	Mill Quality Loose	1585	1585	Unch
	Kosi	Mill Quality Loose	1600	1600	Unch
	Hathras	Mill Quality Loose	1640	1590	50
	Aligarh	Mill Quality Loose	Closed	1580	-
Punjab	Khanna	Mill Quality Loose	1660	1660	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1695	1690	5
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1690	1700	-10
	Karnal	Mill Delivery	1670	NA	-
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	Closed	1950	-
	Madurai	Mill Quality	Closed	2007	-
	Coimbatore	Mill Quality	Closed	2007	-
Bihar	Khagariya	Mill Delivery	1600	1600	Unch
	Muzaffarpur	Mill Delivery	1600	1620	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Oct-17	3-Oct-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	1900	100
	Bhopal	Lokwan	1675	1675	Unch
	Bina	Sarbati 306	Closed	NR	-
Rajasthan	Kota	LokwanBilty	Closed	1650	-
	Baran	Lokwan	NR	NR	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Oct-17	3-Oct-17	
Delhi	Lawrence Road	Mill Delivery	9000	12000	-3000
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	200	-
Gujarat	Rajkot	Mill Quality Loose	700	600	100
	Dhrol	Mill Quality Loose	75	115	-40
M.P.	Indore	Mill Quality Loose	1000	500	500
Rajasthan	Kota	Mill Quality	Closed	4000	-
U.P.	Kanpur	Mill Quality Loose	400	800	-400
	Mathura	Mill Quality Loose	1500	800	700
	Kosi	Mill Quality Loose	1300	1300	Unch
	Hathras	Mill Quality Loose	400	200	200
	Aligarh	Mill Quality Loose	Closed	350	-
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	20	20	Unch
	Bhiwani	Mill Quality Loose	200	300	-100

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

Wheat (CBOT) Future Price:3.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	445.00	450.50	443.25	448.00	3.25
18-Mar	463.25	468.75	462.25	465.50	2.25
18-May	477.25	481.50	475.75	478.25	1.75
18-Jul	489.25	494.50	488.00	490.00	1.00
18-Sep	503.50	509.50	503.50	505.25	0.75
18-Dec	523.50	527.75	523.00	524.50	1.25

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