

### Wheat Domestic Fundamentals:

**Government is likely to increase import duty on wheat by 10-15% from current level of 10% in order to provide support to domestic prices and reduce imports.** Furthermore sowing of wheat is likely to start after Diwali and if farmers do not see any firmness in prices, acreage might fall in the upcoming season.

**Import quotes for wheat from different origins to Tuticorin port witnessed steady to firm tone in the last week.** As of now Tuticorin port price for APW is Rs 1880 per quintal, ASW is Rs 1820 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.

**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.

**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 05th October Russia has harvested 85.4 million tonnes of wheat compared to 75.2 million tonnes a year ago for the same date.** Around 26.2 million hectares of area has been harvested with an average yield of 3.27 tonnes per hectare compared to 26.9 million hectares with an average yield of 2.79 tonnes per hectare a year ago for same date. Russia has harvested record crop this year.

**The European commission has increased its production of soft wheat by 1 MMT to 140.4 MMT compared to 133.7 MMT last year.** The exports for 2017-18 have also been increased by 1 MMT to 27 MMT compared to 25.1 MMT last year.

**As per latest update, Japan's ministry of agriculture bought 109906 MMT of food quality wheat from United States and Canada.** Around 56245 MMT with minimum protein content of 14 percent has been bought from United States to be loaded between November 21 and December 20 and 78941 MMT with minimum protein content of 13.5 percent has been bought from Canada to be loaded between November 21 and December 20.

**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.

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

Wheat Futures Contract: NCDEX Price							Date:06.10.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Oct	1	1639	1645	1636	1642	1050	-120	6270	-410
17-Nov	3	1672	1675	1659	1669	1830	-100	7850	310
17-Dec	0	1685	1685	1684	1685	60	0	60	0

Spread	Oct-17	Nov-17	Dec-17	
Spot Narela				
17-Oct	-38			
17-Nov		27		
17-Dec			16	

Stocks	Demat	In- Process	Total	FED
	5.Oct.17	5.Oct.17	5.Oct.17	29.Sep.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	9051	0	9051	12757
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 6.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Oct-17	5-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1770	1765	5
	Narella	Mill Quality Loose	1680	1675	5
	Nazafgarh	Mill Quality Loose	1670	1665	5
Gujarat	Rajkot	Mill Delivery	1560	1560	Unch
	Ahmedabad	Mill Delivery	1740	1750	-10
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	1675	1665	10
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1600	1625	-25
Rajasthan	Kota	Mill Quality Loose	1520	1530	-10
		Mill Delivery	1625	1620	5
U.P.	Kanpur	Mill Delivery	1710	1700	10
	Mathura	Mill Quality Loose	1580	1580	Unch
	Kosi	Mill Quality Loose	1555	1590	-35
	Hathras	Mill Quality Loose	1590	1580	10
	Aligarh	Mill Quality Loose	1590	1590	Unch
Punjab	Khanna	Mill Quality Loose	1680	1680	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1695	5
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1680	1680	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	1600	1600	Unch
	Muzaffarpur	Mill Delivery	1625	1600	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Oct-17	5-Oct-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1650	1675	-25
	Bina	Sarbati 306	2250	Closed	-
Rajasthan	Kota	LokwanBilty	1650	1650	Unch
	Baran	Lokwan	NR	NR	-

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Oct-17	5-Oct-17	
Delhi	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	800	700	100
	Nazafgarh	Mill Quality Loose	150	200	-50
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	31	72	-41
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	600	500	100
	Kosi	Mill Quality Loose	1500	500	1000
	Hathras	Mill Quality Loose	200	150	50
	Aligarh	Mill Quality Loose	500	700	-200
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(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	400	200	200

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

Wheat (CBOT) Future Price:5.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	443.25	444.00	438.00	440.75	-1.25
18-Mar	461.25	462.50	457.00	459.50	-1.00
18-May	475.75	476.50	471.25	473.75	-0.50
18-Jul	486.00	488.50	483.50	486.00	-0.25
18-Sep	501.50	503.50	499.25	501.00	-0.50
18-Dec	521.00	521.75	518.50	520.00	-0.75

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