

**Wheat Domestic Fundamentals:**

**All India weekly average prices decreased by 2.44 percent to Rs. 1874.9 per quintal during the week ended 08th October 2017.** Wheat average price were ruling at Rs 1921.87 per quintal during 24-30 September 2017. As compared to prices in the week 01-08 October 2016, the prices are firm by 4.30 percent. Prices are expected to remain steady to firm in coming days.

**As per trade sources, government may increase MSP of wheat for the upcoming market season.** MSP can be increased up to Rs 100 per quintal from current Rs 1625 per quintal. An increase in MSP will motivate farmers either to sow more area or keep it unchanged.

**India received an actual rainfall of 152.1 mm in the month of September'17 compared to 168 mm last year for the same month against normal rainfall of 173.4 mm.** In the first week of October'17, India has received an actual rainfall of 27.9 mm against normal rainfall of 31.3 mm. Uttar Pradesh, a major wheat grower has received deficient rainfall in monsoon however any post monsoon rains can easily provide the requisite soil moisture.

**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.

**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:**

**Russian milling wheat prices with 12.5% protein content increased by around \$3-4 per tonne compared to last week.** Prices have strengthened compared to last week due to strong export demand. As per traders prices have already touched their lowest level. Russia has harvested 85.4 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 \$192-195/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$184-187/tonne.

**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.

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

| Wheat Futures Contract: NCDEX Price |                       |      |      |      |       |        |                       | Date:09.10.2017 |                       |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month                      | Ch. from previous day | Open | High | Low  | Close | Volume | Ch. From previous day | OI              | Ch. From previous day |
| 17-Oct                              | 12                    | 1643 | 1655 | 1647 | 1655  | 1630   | 580                   | 6120            | -150                  |
| 17-Nov                              | 15                    | 1671 | 1682 | 1671 | 1682  | 2860   | 1,030                 | 7530            | -320                  |
| 17-Dec                              | 19                    | 1705 | 1710 | 1698 | 1710  | 320    | 260                   | 330             | 270                   |

| Spread      | Oct-17 | Nov-17 | Dec-17 |  |
|-------------|--------|--------|--------|--|
| Spot Narela |        |        |        |  |
| 17-Oct      | -25    |        |        |  |
| 17-Nov      |        | 27     |        |  |
| 17-Dec      |        |        | 28     |  |

| Stocks | Demat    | In- Process | Total    | FED       |
|--------|----------|-------------|----------|-----------|
|        | 7.Oct.17 | 7.Oct.17    | 7.Oct.17 | 29.Sep.17 |
| Delhi  | -        | -           | -        | -         |
| Itarsi | -        | -           | -        | -         |
| Kanpur | -        | -           | -        | -         |
| Kota   | 8971     | 0           | 8971     | 12757     |
| Rajkot | -        | -           | -        | -         |

## Wheat Daily Prices and Arrivals on 9.10.2017

| Centre    | Market             | Variety             | Prices (Rs/Qtl) |          | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
|           |                    |                     | 9-Oct-17        | 7-Oct-17 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1800            | 1770     | 30     |
|           | Narella            | Mill Quality Loose  | 1680            | 1680     | Unch   |
|           | Nazafgarh          | Mill Quality Loose  | 1680            | 1670     | 10     |
| Gujarat   | Rajkot             | Mill Delivery       | 1560            | 1570     | -10    |
|           | Ahmedabad          | Mill Delivery       | 1740            | 1750     | -10    |
|           | Surat              | Mill Delivery       | 1780            | 1780     | Unch   |
|           | Dhrol              | Mill Quality Loose  | 1610            | 1580     | 30     |
| M.P.      | Indore             | Mill Delivery       | 1650            | 1650     | Unch   |
|           | Bhopal             | Mill Quality Loose  | 1600            | 1600     | Unch   |
| Rajasthan | Kota               | Mill Quality Loose  | 1525            | 1520     | 5      |
|           |                    | Mill Delivery       | 1610            | 1625     | -15    |
| U.P.      | Kanpur             | Mill Delivery       | 1705            | 1710     | -5     |
|           | Mathura            | Mill Quality Loose  | 1580            | 1580     | Unch   |
|           | Kosi               | Mill Quality Loose  | 1550            | 1560     | -10    |
|           | Hathras            | Mill Quality Loose  | 1585            | 1585     | Unch   |
|           | Aligarh            | Mill Quality Loose  | 1590            | 1590     | Unch   |
| Punjab    | Khanna             | Mill Quality Loose  | 1675            | 1675     | Unch   |
|           | Ludhiana (Jagraon) | Mill Delivery       | NA              | NA       | -      |
| Haryana   | Sirsa              | Mill Delivery loose | 1700            | 1700     | Unch   |
|           | Hodal              | Mill Delivery       | 1740            | 1740     | Unch   |

|            |                               |                    |      |      |      |
|------------|-------------------------------|--------------------|------|------|------|
|            | Bhiwani                       | Mill Quality Loose | 1690 | 1680 | 10   |
|            | 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      | 1610 | 1625 | -15  |
| FOR        | Kandla (Rajasthan-Rajkot)     | Mill Quality       | NR   | NR   | -    |
|            | Gandhidham (Rajasthan-Rajkot) | Mill Quality       | NR   | NR   | -    |

| Centre    | Market | Variety     | Prices (Rs/Qtl) |          | Change |
|-----------|--------|-------------|-----------------|----------|--------|
|           |        |             | 9-Oct-17        | 7-Oct-17 |        |
| Gujarat   | Rajkot | Lokwan      | 1800            | 1800     | Unch   |
| M.P.      | Indore | Lokwan      | 2100            | 2000     | 100    |
|           | Bhopal | Lokwan      | 1650            | 1650     | Unch   |
|           | Bina   | Sarbati 306 | 2250            | 2250     | Unch   |
| Rajasthan | Kota   | LokwanBilty | 1700            | 1650     | 50     |
|           | Baran  | Lokwan      | 1600            | NR       | -      |

## Wheat Arrivals in Key Centers:

| Centre    | Market            | Variety            | Arrivals (Bags/Qtl) |          | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
|           |                   |                    | 9-Oct-17            | 7-Oct-17 |        |
| Delhi     | Lawrence Road     | Mill Delivery      | 8000                | 8000     | Unch   |
|           | Narella           | Mill Quality Loose | 400                 | 800      | -400   |
|           | Nazafgarh         | Mill Quality Loose | 100                 | 150      | -50    |
| Gujarat   | Rajkot            | Mill Quality Loose | 800                 | 500      | 300    |
|           | Dhrol             | Mill Quality Loose | 88                  | 41       | 47     |
| M.P.      | Indore            | Mill Quality Loose | 1500                | 1000     | 500    |
| Rajasthan | Kota              | Mill Quality       | 3000                | 5000     | -2000  |
| U.P.      | Kanpur            | Mill Quality Loose | 800                 | 800      | Unch   |
|           | Mathura           | Mill Quality Loose | 200                 | 500      | -300   |
|           | Kosi              | Mill Quality Loose | 500                 | 1000     | -500   |
|           | Hathras           | Mill Quality Loose | 500                 | 150      | 350    |
|           | Aligarh           | Mill Quality Loose | 600                 | 200      | 400    |
| Punjab    | Khanna            | Mill Quality Loose | 300                 | 200      | 100    |
|           | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA       | -      |
| Haryana   | Sirsa             | Mill Quality Loose | 200                 | 200      | Unch   |
|           | Hodal             | Mill Quality Loose | 20                  | 30       | -10    |
|           | Bhiwani           | Mill Quality Loose | 200                 | 300      | -100   |

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

| Wheat Products Delhi         | 9-Oct-17 | 7-Oct-17 | Change |
|------------------------------|----------|----------|--------|
| Atta (50kg) Ordinary         | 940      | NR       | -      |
| Maida Grade 1 (50KG)         | 1115     | NR       | -      |
| Suji (50kg)                  | 1190     | NR       | -      |
| Chokar (50 kg)               | 744      | NR       | -      |
| Chokar (34 kg)               | 516      | NR       | -      |
| Chakki Atta (50kg)           | 995      | NR       | -      |
| Chakki Atta (50kg) Special   | 995      | NR       | -      |
| Chakki Atta (90kg) Superfine | NA       | NR       | -      |
| Chakki Atta (50kg) Superfine | 1060     | NR       | -      |

| Wheat (CBOT) Future Price:6.10.2017 |        |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                      | Open   | High   | Low    | Close  | Change |
| 17-Dec                              | 440.50 | 444.75 | 438.75 | 443.50 | 2.75   |
| 18-Mar                              | 459.50 | 463.25 | 457.75 | 462.75 | 3.25   |
| 18-May                              | 473.50 | 477.50 | 472.00 | 476.75 | 3.00   |
| 18-Jul                              | 486.25 | 490.75 | 484.75 | 490.50 | 4.50   |
| 18-Sep                              | 501.25 | 505.75 | 500.25 | 505.75 | 4.75   |
| 18-Dec                              | 520.50 | 525.00 | 519.00 | 524.50 | 4.50   |

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