

Wheat Domestic Fundamentals:

Recent studies have suggested that wheat yield in India can be increased by early sowing. Yield in north-western states like Punjab and Haryana can be increased by around 10 percent by changing the sowing date whereas in northern and eastern state early sowing can increase the yield by around 30 percent. This will lead to increase in production thereby ensuring proper availability and reducing dependency on imports.

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.

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:

Farmers in Ukraine have sown 5.1 million hectares of winter wheat against target area of 6.1 million hectares. Winter wheat accounts for around 95 percent of Ukraine's total wheat area. Farmers have sown 79 percent of target winter grain area i.e. 5.7 million hectares.

Morocco is likely to cut import duty on wheat from 135% to 30% from December 01. This cut in import duty will ensure adequate supplies in the market. Morocco is likely to produce 6.25 MMT of wheat in 2017-18 compared to 2.73 MMT in 2016-17.

Russian milling wheat prices witnessed steady to slightly firm sentiments due to continuous demand by Egypt. However Turkey has introduced new restrictive measure regarding import of agricultural products from Russia. 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 \$192-196/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$185-188/tonne.

As per latest update, Japan's ministry of agriculture bought 106045 MMT of food quality wheat from United States, Canada and Australia. Around 34175 MMT has been bought from United States to be loaded between November 21 and December 20, 36130 MMT of standard white wheat has been bought from west Australia to be loaded between December 01 and December 30 and 35740 MMT with minimum protein content of 13.5 percent has been bought from Canada.

GASC has purchased 170000 tonnes of Russian wheat through tender. Union offered two cargoes each of 55000 tonnes each at FoB \$197.97 per tonne and Daewoo offered 60000 tonnes of Russian wheat at FoB \$200.00 per tonne. In the last tender, GASC bought 180000 tonnes of Russian wheat.

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

Wheat Futures Contract: NCDEX Price								Date:13.10.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Oct	0	1635	1665	1635	1635	1600	290	1600	-1,640
17-Nov	-2	1681	1695	1681	1695	180	-250	10850	-40
17-Dec	0	1708	1712	1704	1708	110	0	720	0

Spread	Oct-17	Nov-17	Dec-17	
Spot Narela				
17-Oct	-55			
17-Nov		60		
17-Dec			13	

Stocks	Demat	In- Process	Total	FED
	12.Oct.17	12.Oct.17	12.Oct.17	9.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8971	0	8971	8971
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 13.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Oct-17	12-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1790	1790	Unch
	Narella	Mill Quality Loose	1690	1690	Unch
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1550	1555	-5
	Ahmedabad	Mill Delivery	1750	1750	Unch
	Surat	Mill Delivery	1790	1790	Unch
	Dhrol	Mill Quality Loose	1670	1580	90
M.P.	Indore	Mill Delivery	1700	1700	Unch
	Bhopal	Mill Quality Loose	1600	1600	Unch
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1625	1625	Unch
U.P.	Kanpur	Mill Delivery	1710	1705	5
	Mathura	Mill Quality Loose	1600	1605	-5
	Kosi	Mill Quality Loose	1600	1600	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1590	1590	Unch
Punjab	Khanna	Mill Quality Loose	1695	1700	-5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1710	-10
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Karnal	Mill Delivery	1710	1710	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2000	2000	Unch
	Madurai	Mill Quality	2057	2057	Unch
	Coimbatore	Mill Quality	2057	2057	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1620	1620	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Oct-17	12-Oct-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	2300	2250	50
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1650	1625	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Oct-17	12-Oct-17	
Delhi	Lawrence Road	Mill Delivery	8500	8500	Unch
	Narella	Mill Quality Loose	500	500	Unch
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	400	400	Unch
	Dhrol	Mill Quality Loose	42	655	-613
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	3500	3000	500
U.P.	Kanpur	Mill Quality Loose	800	900	-100
	Mathura	Mill Quality Loose	300	200	100
	Kosi	Mill Quality Loose	500	150	350
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	13-Oct-17	12-Oct-17	Change
Atta (50kg) Ordinary	940	940	Unch
Maida Grade 1 (50KG)	1115	1115	Unch
Suji (50kg)	1190	1190	Unch
Chokar (50 kg)	744	744	Unch
Chokar (34 kg)	516	516	Unch
Chakki Atta (50kg)	995	995	Unch
Chakki Atta (50kg) Special	995	995	Unch
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1060	1060	Unch

Wheat (CBOT) Future Price:11.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	435.00	435.50	429.75	433.25	-2.00
18-Mar	455.00	455.25	449.75	452.25	-3.00
18-May	468.25	468.75	463.50	464.75	-4.00
18-Jul	482.25	482.25	477.00	478.50	-4.25
18-Sep	497.75	497.75	492.75	494.25	-4.25
18-Dec	515.75	515.75	510.50	512.25	-4.75

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