

Wheat Domestic Fundamentals:

All India weekly average prices increased by 2.31 percent to Rs. 1918.16 per quintal during the week ended 15th October 2017. Wheat average price were ruling at Rs 1874.9 per quintal during 01-08 October 2017. As compared to prices in the week 09-15 October 2016, the prices are firm by 5.62 percent. Prices are expected to remain steady to firm in coming days.

Import quotes for wheat from different origins to Tuticorin port witnessed weak tone in the last week. As of now Tuticorin port price for APW is Rs 1930-40 per quintal, ASW is Rs 1830-40 per quintal and Ukrainian wheat at Rs 1730-40 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.

FCI has offered a total of 18368402 tonnes of wheat through E-Auction since June until second tender in October. 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, 18050 tonnes has been sold in September against offered quantity of 4437300 and 49450 tonnes has been sold in two tenders of October against offered quantity of 2122350.

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.

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:

Export prices for Russian wheat fell in the last week due to record crop. Russian milling wheat with 12.5% protein content is being quoted at FoB \$192-196/tonne down by \$ 2 per tonne compared to last week. Domestic prices for third and fourth class wheat are hovering around 8175 roubles and 7400 roubles.

As on 12th October Russia has harvested 56.7 million tonnes of wheat compared to 75.5 million tonnes a year ago for the same date. Around 26.7 million hectares of area has been harvested with an average yield of 3.24 tonnes per hectare compared to 27.1 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.

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: 16.10.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	+14	1682	1709	1682	1760	870	690	10750	-100
17-Dec	+19	1708	1727	1716	1727	110	0	750	30
18-Jan	-	-	-	-	-	-	-	-	-

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	60			
17-Dec		-33		
18-Dec			-	

Stocks	Demat	In- Process	Total	FED
	14.Oct.17	14.Oct.17	14.Oct.17	9.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8971	0	8971	8971
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 16.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Oct-17	14-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1790	1790	Unch
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1690	1690	Unch
Gujarat	Rajkot	Mill Delivery	1550	1550	Unch
	Ahmedabad	Mill Delivery	1740	1760	-20
	Surat	Mill Delivery	1790	1800	-10
	Dhrol	Mill Quality Loose	Closed	1585	-
M.P.	Indore	Mill Delivery	1650	1700	-50
	Bhopal	Mill Quality Loose	1575	1600	-25
Rajasthan	Kota	Mill Quality Loose	NR	1550	-
		Mill Delivery	NR	1625	-
U.P.	Kanpur	Mill Delivery	1715	1705	10
	Mathura	Mill Quality Loose	1585	1600	-15
	Kosi	Mill Quality Loose	1590	1600	-10
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1600	1590	10
Punjab	Khanna	Mill Quality Loose	1695	1685	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1700	Unch
	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	NR	2000	-
	Madurai	Mill Quality	NR	2057	-
	Coimbatore	Mill Quality	NR	2057	-
Bihar	Khagariya	Mill Delivery	1650	1700	-50
	Muzaffarpur	Mill Delivery	1630	1630	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Oct-17	14-Oct-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	2100	-100
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	2350	2300	50
Rajasthan	Kota	LokwanBilty	NR	1700	-
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Oct-17	14-Oct-17	
Delhi	Lawrence Road	Mill Delivery	8500	9000	-500
	Narella	Mill Quality Loose	800	600	200
	Nazafgarh	Mill Quality Loose	200	150	50
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	Closed	50	-
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	NR	3500	-
U.P.	Kanpur	Mill Quality Loose	800	800	Unch
	Mathura	Mill Quality Loose	100	200	-100
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	200	400	-200
Punjab	Khanna	Mill Quality Loose	200	300	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	16-Oct-17	14-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:13.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	430.75	440.75	430.50	439.50	9.00
18-Mar	449.75	459.25	449.25	458.00	8.50
18-May	461.75	471.50	461.75	470.50	8.75
18-Jul	475.50	485.25	475.00	484.25	9.00
18-Sep	491.00	500.75	490.25	500.25	9.00
18-Dec	509.25	519.00	508.75	518.25	8.75

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