

Wheat Domestic Fundamentals:

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 1910-20 per quintal, ASW is Rs 1865 per quintal and Ukrainian wheat at Rs 1740 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 will sell a total quantity 1054650 tonnes of wheat in different states through e-auction on 20th October at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 373000 tonnes in Maharashtra followed by 284150 tonnes in Haryana, 100000 tonnes in M.P, 60000 tonnes in West Bengal, 55400 tonnes in Punjab, 50000 tonnes in Odisha, 29500 tonnes in Tamil Nadu, 20300 tonnes in Karnataka, 20000 tonnes in Rajasthan, 16000 tonnes in Delhi, 13100 tonnes in Kerala, 5500 tonnes in Gujarat, 5000 tonnes in Uttar Pradesh, 4700 tonnes in Uttarakhand, 4500 tonnes in Chandigarh, 3500 tonnes in Assam, 3000 tonnes in Pondicherry, 2000 tonnes in Bihar, 1500 tonnes in Himachal Pradesh, 1500 tonnes in Chhattisgarh, 1000 tonnes in Jharkhand and 1000 tonnes in Goa.

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.

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:

Algeria state grains agency OAIC has bought around 660000 tonnes of milling wheat in a tender that closed on Tuesday. The prices paid were in the range of \$210.0-\$212.50 per tonne (Cost and Freight). Major part of the quantity is likely to be sourced from France but some quantity can come from Argentina as well.

Russia has exported around 3.7 MMT of wheat in October'17 compared to 2.1 MMT for the same month last year. Russia has exported a total of 13.1 MMT of wheat since July'17 until October'17 compared to 10.46 MMT for the same period last month. Russia has harvested a record crop of around 85 MMT this year compared to around 72 MMT last year.

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.

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

Wheat Futures Contract: NCDEX Price							Date:18.10.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	+1	1719	1719	1707	1715	520	-630	10260	-220
17-Dec	0	1730	1733	1730	1730	160	-590	1320	+120
18-Jan	0	1746	1746	1746	1746	0	0	0	0

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	15			
17-Dec		15		
18-Jan			16	

Stocks	Demat	In- Process	Total	FED
	17.Oct.17	17.Oct.17	17.Oct.17	16.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8971	0	8971	8971
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 18.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Oct-17	17-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1785	1785	Unch
	Narella	Mill Quality Loose	Closed	1700	-
	Nazafgarh	Mill Quality Loose	Closed	NR	-
Gujarat	Rajkot	Mill Delivery	Closed	1550	-
	Ahmedabad	Mill Delivery	Closed	1750	-
	Surat	Mill Delivery	Closed	1800	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	Closed	1720	-
	Mathura	Mill Quality Loose	Closed	1585	-
	Kosi	Mill Quality Loose	Closed	1585	-
	Hathras	Mill Quality Loose	Closed	1590	-
	Aligarh	Mill Quality Loose	Closed	1560	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	Closed	1705	-
	Hodal	Mill Delivery	NA	1740	-

	Bhiwani	Mill Quality Loose	1690	1695	-5
	Karnal	Mill Delivery	1710	1710	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	1600	1600	Unch
	Muzaffarpur	Mill Delivery	NR	NR	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Oct-17	17-Oct-17	
Gujarat	Rajkot	Lokwan	Closed	1800	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	Closed	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Oct-17	17-Oct-17	
Delhi	Lawrence Road	Mill Delivery	5000	7000	-2000
	Narella	Mill Quality Loose	Closed	600	-
	Nazafgarh	Mill Quality Loose	Closed	NR	-
Gujarat	Rajkot	Mill Quality Loose	Closed	400	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	Closed	300	-
	Mathura	Mill Quality Loose	Closed	200	-
	Kosi	Mill Quality Loose	Closed	100	-
	Hathras	Mill Quality Loose	Closed	250	-
	Aligarh	Mill Quality Loose	Closed	500	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	Closed	200	-
	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	18-Oct-17	17-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:17.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	436.50	440.75	433.50	434.75	-1.75
18-Mar	455.25	459.25	452.50	453.75	-1.25
18-May	468.50	472.50	466.50	467.50	-0.75
18-Jul	481.75	486.00	479.75	481.00	-0.50
18-Sep	496.75	501.50	495.50	496.50	-0.75
18-Dec	516.00	519.25	513.50	514.50	-0.50

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