

Wheat Domestic Fundamentals:

Mostly market remained closed. No major trade was reported on Saturday.

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 Contact: 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 |
|--------|-----------|-------------|-----------|-----------|
| | 20.Oct.17 | 20.Oct.17 | 20.Oct.17 | 16.Oct.17 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 8971 | 0 | 8971 | 8971 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 21.10.2017

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 21-Oct-17 | 20-Oct-17 | |
| Delhi | Lawrence Road | Mill Delivery | Closed | Closed | - |
| | Narella | Mill Quality Loose | Closed | Closed | - |
| | Nazafgarh | Mill Quality Loose | Closed | Closed | - |
| Gujarat | Rajkot | Mill Delivery | Closed | Closed | - |
| | Ahmedabad | Mill Delivery | Closed | Closed | - |
| | Surat | Mill Delivery | Closed | Closed | - |
| | 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 | Closed | - |
| | Mathura | Mill Quality Loose | Closed | Closed | - |
| | Kosi | Mill Quality Loose | Closed | Closed | - |
| | Hathras | Mill Quality Loose | Closed | Closed | - |
| | Aligarh | Mill Quality Loose | Closed | Closed | - |
| Punjab | Khanna | Mill Quality Loose | Closed | Closed | - |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | Closed | Closed | - |
| | Hodal | Mill Delivery | NA | NA | - |

| | | | | | |
|------------|-------------------------------|--------------------|--------|--------|------|
| | Bhiwani | Mill Quality Loose | 1690 | Closed | - |
| | 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 | 1650 | 1600 | 50 |
| | Muzaffarpur | Mill Delivery | 1615 | 1620 | -5 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | Closed | Closed | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | Closed | Closed | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 21-Oct-17 | 20-Oct-17 | |
| Gujarat | Rajkot | Lokwan | Closed | Closed | - |
| M.P. | Indore | Lokwan | Closed | Closed | - |
| | Bhopal | Lokwan | Closed | Closed | - |
| | Bina | Sarbati 306 | Closed | Closed | - |
| Rajasthan | Kota | Lokwan Bilty | Closed | Closed | - |
| | Baran | Lokwan | Closed | Closed | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 21-Oct-17 | 20-Oct-17 | |
| Delhi | Lawrence Road | Mill Delivery | Closed | Closed | - |
| | Narella | Mill Quality Loose | Closed | Closed | - |
| | Nazafgarh | Mill Quality Loose | Closed | Closed | - |
| Gujarat | Rajkot | Mill Quality Loose | Closed | Closed | - |
| | 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 | Closed | - |
| | Mathura | Mill Quality Loose | Closed | Closed | - |
| | Kosi | Mill Quality Loose | Closed | Closed | - |
| | Hathras | Mill Quality Loose | Closed | Closed | - |
| | Aligarh | Mill Quality Loose | Closed | Closed | - |
| Punjab | Khanna | Mill Quality Loose | Closed | Closed | - |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | Closed | Closed | - |
| | Hodal | Mill Quality Loose | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 300 | Closed | - |



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

| Wheat Products Delhi | 21-Oct-17 | 20-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 |

| Contract Month | Open | High | Low | Close | Change |
|----------------|--------|--------|--------|--------|--------|
| 17-Dec | 433.00 | 436.00 | 425.00 | 426.00 | -6.75 |
| 18-Mar | 451.50 | 453.75 | 443.75 | 444.50 | -6.75 |
| 18-May | 465.00 | 467.50 | 457.75 | 458.75 | -6.50 |
| 18-Jul | 478.50 | 480.75 | 471.50 | 472.50 | -5.75 |
| 18-Sep | 494.75 | 496.00 | 487.25 | 488.00 | -6.00 |
| 18-Dec | 512.25 | 514.25 | 505.25 | 506.25 | -5.75 |

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