

Wheat Domestic Fundamentals:

All India weekly average prices increased by 1.00 percent to Rs. 1937.30 per quintal during the week ended 23rd October 2017. Wheat average price were ruling at Rs 1918.16 per quintal during 09-15 October 2017. As compared to prices in the week 16-23 October 2016, the prices are firm by 6.27 percent. Prices are expected to remain steady to firm in coming days.

Wheat WPI has increased from 137.1 in August to 137.6 in September-2017. Monthly wheat inflation has increased by 0.36 percent in September-17 compared to August-17. As compared to September-16, wheat WPI has decreased by around 1.71% compared to September-17 and increased by 9.03% compared to September -2015.

India received an actual rainfall of 73.90 mm since the beginning of the month until 22nd October against normal rainfall of 66.20 mm. During the same time period no rain has been reported in Punjab, Haryana and Rajasthan. Uttar Pradesh, Madhya Pradesh and Gujarat have received deficient rainfall. Soil moisture is good as of now in major producing states except in Rajasthan. However any rain in near future in Rajasthan can easily provide the requisite soil moisture.

Sowing of wheat has started in irrigated areas of Madhya Pradesh and Gujarat. Furthermore sowing is likely to pick up in Punjab and Haryana in upcoming days. Traders are expecting an increase in import duty from 10% to 20-25% or an increase in MSP by Rs 100 per quintal to Rs 1725 per quintal. Any or both of these steps are likely to motivate farmers to sow more area.

As per latest update, wheat stock in central pool as on 1st October'17 stood at around 253.00 lakh tonnes down by 9.05% compared to last month. This quantity is higher by around 18.62% compared to last year for the same month. For the month of September off take from central pool was around 25.16 lakh tonnes compared to 29.17 lakh tonnes for September'2016 and 26.04 lakh tonnes for September'2015. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

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.

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:

GASC has purchased 230000 tonnes of Russian wheat through tender. Olam offered 60000 tonnes of Russian wheat at FoB \$198.35 per tonne, Union offered 55000 tonnes of Russian wheat at FoB \$198.90 per tonne, GTCS offered 60000 tonnes and 55000 tonnes of Russian wheat at FoB \$198.75 per tonne and FoB \$187.50 per tonne respectively.

As per latest update, Japan's ministry of agriculture bought 123736 MMT of food quality wheat from United States, Canada and Australia. Around 64658 MMT has been bought from United States to be loaded between November 21 and December 20, 24150 MMT of standard white wheat has been bought from west Australia to be loaded between December 01 and December 31 and 34928 MMT with minimum protein content of 13.5 percent has been bought from Canada.

As on 19th October Russia has harvested 87.6 million tonnes of wheat compared to 75.7 million tonnes a year ago for the same date. Around 27.2 million hectares of area has been harvested with an average yield of 3.21 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.

Russian milling wheat prices with 12.5% protein content decreased by around \$0-2 per tonne compared to last week. Prices have become weak due to uncertainty regarding the procedure of exports relating to agrarian products to Turkey. Russia is expected to produce 85-90 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 \$192-194/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$185-188/tonne.

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

Wheat Futures Contract: NCDEX Price							Date:23.10.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	-2	1708	1716	1706	1714	940	-210	9710	-770
17-Dec	+2	1727	1735	1727	1732	640	-110	1770	+570
18-Jan	-6	1744	1744	1744	1744	0	0	0	0

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	34			
17-Dec		18		
18-Jan			12	

Stocks	Demat	In- Process	Total	FED
	22.Oct.17	22.Oct.17	22.Oct.17	16.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8971	0	8971	8971
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 23.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Oct-17	21-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1790	Closed	-
	Narella	Mill Quality Loose	1680	Closed	-
	Nazafgarh	Mill Quality Loose	NR	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	1650	Closed	-
	Bhopal	Mill Quality Loose	1600	Closed	-
Rajasthan	Kota	Mill Quality Loose	1550	Closed	-
		Mill Delivery	1625	Closed	-
U.P.	Kanpur	Mill Delivery	1725	Closed	-
	Mathura	Mill Quality Loose	1590	Closed	-
	Kosi	Mill Quality Loose	1585	Closed	-
	Hathras	Mill Quality Loose	1600	Closed	-
	Aligarh	Mill Quality Loose	1560	Closed	-
Punjab	Khanna	Mill Quality Loose	1675	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1710	Closed	-
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1690	1690	Unch
	Karnal	Mill Delivery	1710	1710	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2050	Closed	-
	Madurai	Mill Quality	2107	Closed	-
	Coimbatore	Mill Quality	2107	Closed	-
Bihar	Khagariya	Mill Delivery	NR	1650	-
	Muzaffarpur	Mill Delivery	1615	1615	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Oct-17	21-Oct-17	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	1900	Closed	-
	Bhopal	Lokwan	1700	Closed	-
	Bina	Sarbati 306	2400	Closed	-
Rajasthan	Kota	LokwanBilty	1750	Closed	-
	Baran	Lokwan	1650	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Oct-17	21-Oct-17	
Delhi	Lawrence Road	Mill Delivery	7500	Closed	-
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	NR	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	3000	Closed	-
Rajasthan	Kota	Mill Quality	3000	Closed	-
U.P.	Kanpur	Mill Quality Loose	300	Closed	-
	Mathura	Mill Quality Loose	300	Closed	-
	Kosi	Mill Quality Loose	50	Closed	-
	Hathras	Mill Quality Loose	150	Closed	-
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	300	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	Closed	-
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	400	300	100

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

Wheat Products Delhi	23-Oct-17	21-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:20.10.2017					
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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