

Wheat Domestic Fundamentals:

As per trade sources, Import quotes for wheat from different origins to Tuticorin port witnessed steady to firm tone in the last week. As of now Tuticorin port price for APW is Rs 1935 per quintal, ASW is Rs 1880 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 market sources, Government has increased MSP of wheat by Rs 110 per quintal to Rs 1735 per quintal. This will motivate farmers to sow more area and thereby boost production of wheat. 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. The crop will be marketed from next year in April onwards.

FCI will sell a total quantity 1077600 tonnes of wheat in different states through e-auction on 26th October at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 367000 tonnes in Maharashtra followed by 301000 tonnes in Haryana, 100000 tonnes in M.P, 65300 tonnes in Punjab, 60000 tonnes in West Bengal, 50000 tonnes in Odisha, 27000 tonnes in Tamil Nadu, 20300 tonnes in Karnataka, 20000 tonnes in Rajasthan, 16000 tonnes in Delhi, 13000 tonnes in Kerala, 8000 tonnes in Jammu & Kashmir, 5500 tonnes in Uttarakhand, 5000 tonnes in Uttar Pradesh, 3500 tonnes in Chandigarh, 4000 tonnes in Gujarat, 3000 tonnes in Pondicherry, 2000 tonnes in Andhra Pradesh, 2000 tonnes in Bihar, 1500 tonnes in Himachal Pradesh, 1500 tonnes in Chhattisgarh, 1000 tonnes in Jharkhand and 1000 tonnes in Goa.

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.

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.

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:

After producing a record 35.5 MMT of wheat in 2016-17, Australia wheat crop is expected to touch a decade low of around 20.1 MMT in 2017-18. Australia has already lost some of its market share to black sea region. Prices have fallen to FoB \$244 per tonne in Western Australia whereas farmers were getting around \$279 per tonne last year for a similar variety of wheat.

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.

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

Wheat Futures Contract: NCDEX Price								Date:25.10.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	+2	1737	1739	1726	1732	2330	+230	8540	-640
17-Dec	+4	1750	1755	1744	1748	1600	-100	3770	+820
18-Jan	-	-	-	-	-	-	-	-	-

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	47			
17-Dec		16		
18-Jan			-	

Stocks	Demat	In- Process	Total	FED
	24.Oct.17	24.Oct.17	24.Oct.17	23.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8971	0	8971	8971
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 25.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Oct-17	24-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1810	1795	15
	Narella	Mill Quality Loose	Closed	1685	-
	Nazafgarh	Mill Quality Loose	Closed	NR	-
Gujarat	Rajkot	Mill Delivery	1560	Closed	-
	Ahmedabad	Mill Delivery	1750	Closed	-
	Surat	Mill Delivery	1800	Closed	-
	Dhrol	Mill Quality Loose	NR	Closed	-
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1600	50
Rajasthan	Kota	Mill Quality Loose	1560	1555	5
		Mill Delivery	1640	1625	15
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1590	1590	Unch
	Kosi	Mill Quality Loose	1620	1600	20
	Hathras	Mill Quality Loose	1580	1590	-10
	Aligarh	Mill Quality Loose	Closed	1560	-
Punjab	Khanna	Mill Quality Loose	1690	1680	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1715	1710	5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1685	1680	5
	Karnal	Mill Delivery	1710	1710	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
Bihar	Khagariya	Mill Delivery	1600	1650	-50
	Muzaffarpur	Mill Delivery	NR	1615	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Oct-17	24-Oct-17	
Gujarat	Rajkot	Lokwan	1800	Closed	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbat 306	Closed	2400	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1625	1625	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Oct-17	24-Oct-17	
Delhi	Lawrence Road	Mill Delivery	8000	5000	3000
	Narella	Mill Quality Loose	Closed	400	-
	Nazafgarh	Mill Quality Loose	Closed	NR	-
Gujarat	Rajkot	Mill Quality Loose	450	Closed	-
	Dhrol	Mill Quality Loose	NR	Closed	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	500	700	-200
	Mathura	Mill Quality Loose	100	200	-100
	Kosi	Mill Quality Loose	200	NA	-
	Hathras	Mill Quality Loose	250	250	Unch
	Aligarh	Mill Quality Loose	Closed	150	-
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(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	300	200	100

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

Wheat Products Delhi	25-Oct-17	24-Oct-17	Change
Atta (50kg) Ordinary	950	940	10
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)	1005	995	10
Chakki Atta (50kg) Special	1005	995	10
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1070	1060	10

Wheat (CBOT) Future Price:24.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	438.00	438.75	433.00	438.00	1.25
18-Mar	455.25	457.25	451.50	456.00	1.00
18-May	469.25	471.00	465.25	469.50	0.75
18-Jul	482.50	483.50	478.00	482.00	0.50
18-Sep	498.00	499.25	493.75	497.50	0.25
18-Dec	516.75	516.75	512.25	516.00	0.75

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