

Wheat Domestic Fundamentals:

As per Afghanistan Chamber of Commerce and Industries (ACCI), India will send around 130000 tonnes of wheat to Afghanistan via Chabahar port of Iran. This move is likely to improve trade relations of India and Afghanistan.

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.

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:

Australia has signed deals with Vietnam to export 30000 tonnes APW new crop at cost and freight \$ 252 per tonne. High global stock is forcing wheat suppliers in Australia to keep their prices at lower levels. Australian wheat is being quoted at \$232 per tonne compared to \$250- \$260 per tonne. Australia's wheat output is expected to be around 20.15 MMT in 2017-18 compared to 35.5 MMT last year.

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.

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.

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

Wheat Futures Contract: NCDEX Price								Date:26.10.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	+1	1732	1736	1730	1733	990	-1,340	8440	-100
17-Dec	-2	1749	1751	1746	1749	580	-1,020	4160	390
18-Jan	0	1770	1770	1770	1770	0	0	0	0

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	33			
17-Dec		16		
18-Jan			21	

Stocks	Demat	In- Process	Total	FED
	25.Oct.17	25.Oct.17	25.Oct.17	23.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8971	0	8971	8971
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 26.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Oct-17	25-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1830	1810	20
	Narella	Mill Quality Loose	1700	Closed	-
	Nazafgarh	Mill Quality Loose	1700	Closed	-
Gujarat	Rajkot	Mill Delivery	1560	1560	Unch
	Ahmedabad	Mill Delivery	1755	1750	5
	Surat	Mill Delivery	1800	1800	Unch
	Dhrol	Mill Quality Loose	1655	1675	-20
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1560	1560	Unch
		Mill Delivery	1640	1640	Unch
U.P.	Kanpur	Mill Delivery	1720	1725	-5
	Mathura	Mill Quality Loose	NR	1590	-
	Kosi	Mill Quality Loose	1620	1620	Unch
	Hathras	Mill Quality Loose	1600	1580	20
	Aligarh	Mill Quality Loose	1560	Closed	-
Punjab	Khanna	Mill Quality Loose	1680	1690	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1720	1715	5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1700	1685	15
	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	1650	1600	50
	Muzaffarpur	Mill Delivery	Closed	NR	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Oct-17	25-Oct-17	
Gujarat	Rajkot	Lokwan	1850	1800	50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2400	Closed	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1650	1625	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Oct-17	25-Oct-17	
Delhi	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	700	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	400	450	-50
	Dhrol	Mill Quality Loose	54	72	-18
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	3000	4000	-1000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	NR	100	-
	Kosi	Mill Quality Loose	50	200	-150
	Hathras	Mill Quality Loose	200	250	-50
	Aligarh	Mill Quality Loose	150	Closed	-
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(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	600	300	300

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

Wheat Products Delhi	26-Oct-17	25-Oct-17	Change
Atta (50kg) Ordinary	950	950	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)	1005	1005	Unch
Chakki Atta (50kg) Special	1005	1005	Unch
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1070	1070	Unch

Wheat (CBOT) Future Price:25.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	438.00	443.00	433.75	435.50	-2.50
18-Mar	455.75	460.75	452.00	453.75	-2.25
18-May	469.50	473.50	466.00	467.75	-1.75
18-Jul	482.00	486.25	479.00	481.25	-0.75
18-Sep	497.50	501.75	495.00	496.75	-0.75
18-Dec	515.25	520.25	513.50	515.25	-0.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2017 Indian Agribusiness Systems Pvt Ltd.