

## Wheat Domestic Fundamentals:

**As per market sources, wheat acreage in Rajasthan is likely to fall slightly this year as a small portion of unirrigated area might be shifted to chickpeas.** Rajasthan government has kept a target of 32 lakh hectares for 2017-18 Rabi season. Wheat prices are getting support from increase in MSP and an expected increase in import duty.

**India is likely to increase import duty on wheat from 10 percent to 20 percent.** India has scrapped import duty on wheat in December 2016 and reinstated 10 percent duty in March 2017 due to cheaper imports compared to domestic wheat prices. Millers in South India have put their import contracts on hold due to speculation regarding import duty.

**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.

**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:

**As on 27th October Russia has harvested 87.8 million tonnes of wheat compared to 75.8 million tonnes a year ago for the same date.** Around 27.3 million hectares of area has been harvested with an average yield of 3.22 tonnes per hectare compared to 27.2 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 \$0-1 per tonne compared to last week.** Prices have become weak due to weak demand for Russian wheat in the week. 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 \$184-187/tonne.

**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.

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

Wheat Futures Contract: NCDEX Price							Date:27.10.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	+2	1730	1739	1730	1736	1700	710	7720	-720
17-Dec	+5	1747	1757	1747	1755	730	150	4280	120
18-Jan	+8	1766	1774	1774	1774	0	0	0	0

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	6			
17-Dec		19		
18-Jan			19	

Stocks	Demat	In- Process	Total	FED
	27.Oct.17	27.Oct.17	27.Oct.17	23.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5927	0	5927	8971
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 28.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Oct-17	27-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1825	1830	-5
	Narella	Mill Quality Loose	1730	1715	15
	Nazafgarh	Mill Quality Loose	1715	1725	-10
Gujarat	Rajkot	Mill Delivery	1570	1560	10
	Ahmedabad	Mill Delivery	1765	1750	15
	Surat	Mill Delivery	1820	1800	20
	Dhrol	Mill Quality Loose	NR	1720	-
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1560	1560	Unch
		Mill Delivery	1640	1640	Unch
U.P.	Kanpur	Mill Delivery	1720	1720	Unch
	Mathura	Mill Quality Loose	1630	1610	20
	Kosi	Mill Quality Loose	1635	1625	10
	Hathras	Mill Quality Loose	1600	NR	-
	Aligarh	Mill Quality Loose	1600	1560	40
Punjab	Khanna	Mill Quality Loose	1680	1680	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1730	-5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1710	1720	-10
	Karnal	Mill Delivery	1725	1710	15
	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	1650	Unch
	Muzaffarpur	Mill Delivery	Closed	Closed	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Oct-17	27-Oct-17	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1650	1650	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-Oct-17	27-Oct-17	
Delhi	Lawrence Road	Mill Delivery	8000	6000	2000
	Narella	Mill Quality Loose	600	500	100
	Nazafgarh	Mill Quality Loose	150	200	-50
Gujarat	Rajkot	Mill Quality Loose	500	400	100
	Dhrol	Mill Quality Loose	NR	41	-
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	700	600	100
	Mathura	Mill Quality Loose	250	200	50
	Kosi	Mill Quality Loose	150	150	Unch
	Hathras	Mill Quality Loose	500	NR	-
	Aligarh	Mill Quality Loose	250	100	150
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(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	200	400	-200

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

Wheat Products Delhi	28-Oct-17	27-Oct-17	Change
Atta (50kg) Ordinary	975	965	10
Maida Grade 1 (50KG)	1125	1125	Unch
Suji (50kg)	1190	1190	Unch
Chokar (50 kg)	744	744	Unch
Chokar (34 kg)	516	516	Unch
Chakki Atta (50kg)	1030	1020	10
Chakki Atta (50kg) Special	1030	1020	10
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1100	1090	10

Wheat (CBOT) Future Price:27.10.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	430.50	431.25	424.75	427.25	-4.50
18-Mar	449.00	449.25	442.50	445.25	-5.00
18-May	463.50	463.50	456.25	459.25	-5.00
18-Jul	477.50	477.50	470.75	474.00	-4.50
18-Sep	493.75	493.75	486.50	490.00	-4.50
18-Dec	511.75	511.75	505.50	508.75	-3.75

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