

**Wheat Domestic Fundamentals:**

**All India weekly average prices increased by 0.18 percent to Rs. 1940.83 per quintal during the week ended 31st October 2017.** Wheat average price were ruling at Rs 1937.30 per quintal during 16-23 October 2017. As compared to prices in the week 24-31 October 2016, the prices are firm by 5.29 percent. Prices are expected to remain steady to firm in coming days.

**As per trade sources, Import quotes for wheat from different origins to Tuticorin port witnessed firm tone in last week.** As of now Tuticorin port price for APW is Rs 1950 per quintal, ASW is Rs 1890-1900 per quintal and Ukrainian wheat at Rs 1790-1800 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, 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 has received 78 mm of rainfall since the beginning of the month until 29th October.** Uttar Pradesh, Madhya Pradesh and Gujarat received deficient rainfall whereas Rajasthan, Haryana and Punjab received no rainfall during the same time period. Soil moisture is good in major wheat producing states as of now except Rajasthan. Rajasthan government has kept a target of 32 lakh hectares for 2017-18 Rabi season compared to actual sown area of 33.49 lakh hectares last year. 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 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.

**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 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:**

**The Saudi Arabia Grain Organization has purchased 484000 tonnes wheat through tender.** The said quantity will arrive at three different ports. Around 306000 tonnes will arrive at Jeddah port, 123000 tonnes at Dammam and the remaining 55000 tonnes at Jizan port. Saudi Arabia abandoned plans of self sufficiency in 2008 as farming in desert reduced scarce water resources and became a major importer of hard and soft wheat.

**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.

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

Wheat Futures Contract: NCDEX Price								Date:30.10.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	+11	1738	1751	1738	1747	3170	1,470	6510	-1,210
17-Dec	+7	1756	1773	1756	1762	1610	880	4760	480
18-Jan	+24	1798	1798	1798	1798	20	20	20	20

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	22			
17-Dec		15		
18-Jan			36	

Stocks	Demat	In- Process	Total	FED
	28.Oct.17	28.Oct.17	28.Oct.17	23.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5927	299	6226	8971
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 30.10.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Oct-17	28-Oct-17	
Delhi	Lawrence Road	Mill Delivery	1830	1825	5
	Narella	Mill Quality Loose	1725	1730	-5
	Nazafgarh	Mill Quality Loose	1710	1715	-5
Gujarat	Rajkot	Mill Delivery	1580	1570	10
	Ahmedabad	Mill Delivery	1770	1765	5
	Surat	Mill Delivery	1825	1820	5
	Dhrol	Mill Quality Loose	1760	1690	70
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1600	1560	40
		Mill Delivery	1700	1640	60
U.P.	Kanpur	Mill Delivery	1720	1720	Unch
	Mathura	Mill Quality Loose	1640	1630	10
	Kosi	Mill Quality Loose	1615	1635	-20
	Hathras	Mill Quality Loose	1640	1600	40
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	1680	1680	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1710	1710	Unch
	Karnal	Mill Delivery	1725	1725	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	0	1650	-1650
	Muzaffarpur	Mill Delivery	1615	Closed	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Oct-17	28-Oct-17	
Gujarat	Rajkot	Lokwan	1900	1850	50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	NR	2400	-
Rajasthan	Kota	LokwanBilty	1800	1750	50
	Baran	Lokwan	1675	1650	25

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Oct-17	28-Oct-17	
Delhi	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	700	600	100
	Nazafgarh	Mill Quality Loose	600	150	450
Gujarat	Rajkot	Mill Quality Loose	600	500	100
	Dhrol	Mill Quality Loose	42	33	9
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	5000	3000	2000
U.P.	Kanpur	Mill Quality Loose	600	700	-100
	Mathura	Mill Quality Loose	300	250	50
	Kosi	Mill Quality Loose	NA	150	-
	Hathras	Mill Quality Loose	200	500	-300
	Aligarh	Mill Quality Loose	Closed	250	-
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	200	Unch

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

Wheat Products Delhi	30-Oct-17	28-Oct-17	Change
Atta (50kg) Ordinary	975	975	Unch
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	1030	Unch
Chakki Atta (50kg) Special	1030	1030	Unch
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1100	1100	Unch

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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