

Wheat Domestic Fundamentals:

As per market sources, West Bengal government has banned wheat sowing in two districts due to wheat blast like disease, a fungus that causes wheat to turn whitish and dry up. The only way to stop this disease is not to cultivate wheat. West Bengal cultivates wheat on around 3-4 lakh hectares of land.

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 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:

Ukraine has sown around 5.9 million hectares of wheat compared to 5.7 million hectares last year during the same time period. Winter wheat accounts for 95 percent of Ukraine's total area for wheat. Ukraine produced around 26.6 million tonnes of wheat in 2017.

As per latest update, china has sold 86162 tonnes of wheat for average price of 2361 yuan (\$358.00) per tonne at an auction of state reserves. The quantity sold represents around 12.07 percent of wheat available at auction.

China has reduced its minimum purchase price for 2018 by 2.5 percent compared to last year. This may lead farmers to shift from common wheat to more lucrative varieties with more gluten content. This move can also reduce china's dependency on imports as it uses imported wheat to improve gluten level in domestic crop.

Wheat harvesting in Australia picked up last week due to drier weather as it helped in drying crops and bringing down the moisture level. As of now APW1 and APH2 in Brisbane are being quoted at \$245 per tonne and \$256.5 per tonne respectively. Australia is expected to harvest around 20.15 MMT compared to 35.5 MMT last year.

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.

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

Wheat Futures Contract: NCDEX Price								Date:02.11.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	-11	1721	1735	1715	1722	970	-120	6530	-40
17-Dec	-13	1759	1759	1739	1742	1290	900	5300	200
18-Jan	-3	1777	1774	1774	1774	10	-50	60	10

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	-3			
17-Dec		20		
18-Jan			32	

Stocks	Demat	In- Process	Total	FED
	1.Nov.17	1.Nov.17	1.Nov.17	30.Oct.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6591	499	7090	6226
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 2.11.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Nov-17	1-Nov-17	
Delhi	Lawrence Road	Mill Delivery	1870	1880	-10
	Narella	Mill Quality Loose	NR	Closed	-
	Nazafgarh	Mill Quality Loose	1725	Closed	-
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1750	1760	-10
	Surat	Mill Delivery	1810	1810	Unch
	Dhrol	Mill Quality Loose	1800	1800	Unch
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1600	1600	Unch
		Mill Delivery	1700	1700	Unch
U.P.	Kanpur	Mill Delivery	1730	1715	15
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1620	1615	5
	Hathras	Mill Quality Loose	1650	1635	15
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1700	1700	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1725	5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1760	1750	10
	Karnal	Mill Delivery	1790	1790	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	1600	Unch
	Muzaffarpur	Mill Delivery	1630	1630	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Nov-17	1-Nov-17	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2400	NR	-
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Nov-17	1-Nov-17	
Delhi	Lawrence Road	Mill Delivery	8000	6000	2000
	Narella	Mill Quality Loose	Closed	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	70	515	-445
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	3500	5000	-1500
U.P.	Kanpur	Mill Quality Loose	450	800	-350
	Mathura	Mill Quality Loose	100	200	-100
	Kosi	Mill Quality Loose	150	NA	-
	Hathras	Mill Quality Loose	200	500	-300
	Aligarh	Mill Quality Loose	250	Closed	-
Punjab	Khanna	Mill Quality Loose	500	500	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	400	300	100

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

Wheat Products Delhi	2-Nov-17	1-Nov-17	Change
Atta (50kg) Ordinary	995	995	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:01.11.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	418.75	422.00	416.50	418.00	-0.50
18-Mar	436.50	439.25	433.75	436.00	Unch
18-May	449.50	452.50	447.25	449.25	Unch
18-Jul	464.75	466.50	461.50	463.25	-0.50
18-Sep	479.50	482.00	477.75	479.00	-0.50
18-Dec	499.75	501.75	497.50	499.25	-0.50

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