

Wheat Domestic Fundamentals:

Government of Punjab has decided to give seed subsidy directly in the bank accounts of farmers for this season. Farmers can get subsidized seed from registered/certified agencies of government and semi-government institutions. As per Chief Agriculture Officer Dr Gurditta Singh Sidhu, Bhatinda has set a target of selling around 1030 tonne of wheat seed.

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.

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:03.11.2017 | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 17-Nov | -15 | 1720 | 1721 | 1708 | 1708 | 1010 | 40 | 6290 | -240 |
| 17-Dec | -9 | 1740 | 1748 | 1733 | 1733 | 1020 | -270 | 5600 | 300 |
| 18-Jan | 0 | 1774 | 1774 | 1774 | 1774 | 10 | 0 | 70 | 10 |

| Spread | Nov-17 | Dec-17 | Jan-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 17-Nov | 14 | | | |
| 17-Dec | | 20 | | |
| 18-Jan | | | 23 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|----------|-------------|----------|-----------|
| | 3.Nov.17 | 3.Nov.17 | 3.Nov.17 | 30.Oct.17 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 6798 | 1297 | 8095 | 6226 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 4.11.2017

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
| | | | 4-Nov-17 | 3-Nov-17 | |
| Delhi | Lawrence Road | Mill Delivery | Closed | 1860 | - |
| | Narella | Mill Quality Loose | Closed | 1730 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 1730 | - |
| Gujarat | Rajkot | Mill Delivery | 1590 | 1600 | -10 |
| | Ahmedabad | Mill Delivery | 1740 | 1750 | -10 |
| | Surat | Mill Delivery | 1800 | 1800 | Unch |
| | Dhrol | Mill Quality Loose | NR | 1745 | - |
| M.P. | Indore | Mill Delivery | 1650 | 1650 | Unch |
| | Bhopal | Mill Quality Loose | Closed | 1650 | - |
| Rajasthan | Kota | Mill Quality Loose | Closed | 1580 | - |
| | | Mill Delivery | Closed | 1670 | - |
| U.P. | Kanpur | Mill Delivery | 1715 | 1720 | -5 |
| | Mathura | Mill Quality Loose | 1650 | 1650 | Unch |
| | Kosi | Mill Quality Loose | 1625 | 1625 | Unch |
| | Hathras | Mill Quality Loose | 1660 | 1640 | 20 |
| | Aligarh | Mill Quality Loose | 1600 | 1600 | Unch |
| Punjab | Khanna | Mill Quality Loose | Closed | 1695 | - |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1730 | 1730 | Unch |
| | Hodal | Mill Delivery | Closed | NA | - |

| | | | | | |
|------------|-------------------------------|--------------------|--------|------|------|
| | Bhiwani | Mill Quality Loose | 1760 | 1780 | -20 |
| | Karnal | Mill Delivery | 1795 | 1795 | Unch |
| | Panipat | Mill Quality Loose | 1625 | 1625 | Unch |
| Tamil Nadu | Chennai | Mill Quality | Closed | 2050 | - |
| | Madurai | Mill Quality | Closed | 2107 | - |
| | Coimbatore | Mill Quality | Closed | 2107 | - |
| Bihar | Khagariya | Mill Delivery | 1600 | 1600 | Unch |
| | Muzaffarpur | Mill Delivery | 1610 | 1610 | Unch |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|----------|--------|
| | | | 4-Nov-17 | 3-Nov-17 | |
| Gujarat | Rajkot | Lokwan | 1850 | 1825 | 25 |
| M.P. | Indore | Lokwan | 2000 | 2000 | Unch |
| | Bhopal | Lokwan | Closed | 1700 | - |
| | Bina | Sarbati 306 | 2400 | 2400 | Unch |
| Rajasthan | Kota | Lokwan Bilty | Closed | 1750 | - |
| | Baran | Lokwan | NR | 1675 | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 4-Nov-17 | 3-Nov-17 | |
| Delhi | Lawrence Road | Mill Delivery | Closed | 8000 | - |
| | Narella | Mill Quality Loose | Closed | 700 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 100 | - |
| Gujarat | Rajkot | Mill Quality Loose | 600 | 800 | -200 |
| | Dhrol | Mill Quality Loose | NR | 49 | - |
| M.P. | Indore | Mill Quality Loose | 2000 | 1000 | 1000 |
| Rajasthan | Kota | Mill Quality | Closed | 5000 | - |
| U.P. | Kanpur | Mill Quality Loose | 700 | 600 | 100 |
| | Mathura | Mill Quality Loose | 200 | 200 | Unch |
| | Kosi | Mill Quality Loose | 200 | 400 | -200 |
| | Hathras | Mill Quality Loose | 250 | 200 | 50 |
| | Aligarh | Mill Quality Loose | 300 | 400 | -100 |
| Punjab | Khanna | Mill Quality Loose | Closed | 300 | - |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 100 | 100 | Unch |
| | Hodal | Mill Quality Loose | Closed | 25 | - |
| | Bhiwani | Mill Quality Loose | 400 | 500 | -100 |

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

| Wheat Products Delhi | 4-Nov-17 | 3-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:03.11.2017 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 17-Dec | 427.00 | 429.00 | 422.25 | 425.75 | -0.25 |
| 18-Mar | 445.50 | 447.25 | 440.75 | 444.50 | Unch |
| 18-May | 459.00 | 460.25 | 454.00 | 457.50 | -0.25 |
| 18-Jul | 473.75 | 474.50 | 467.75 | 471.00 | -1.00 |
| 18-Sep | 489.75 | 490.25 | 483.50 | 486.75 | -1.25 |
| 18-Dec | 508.75 | 510.00 | 503.00 | 506.50 | -1.50 |

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