

Wheat Domestic Fundamentals:

All India average monthly prices for wheat decreased by 0.66 percent from Rs 1890.24 (in September) to Rs 1876.09 per qtl in October-2017. Average price (October) is higher by 3.59 percent compared to price (Rs 1811.11 per qtl.) registered in October-2016. Government has increased MSP of wheat by Rs 110 per quintal to Rs 1735 per quintal. Demand from south Indian millers is weak and prices are likely to stay steady to firm.

According to latest update, area sown until 03rd November'17 is 8.43 lakh hectares compared to 3.88 lakh hectares in the previous Rabi season. The normal area is 304.43 lakh hectares. Sowing of wheat has started in Madhya Pradesh, Punjab, Haryana, Himachal Pradesh and Karnataka. Acreage in Madhya Pradesh is expected to be lower due to higher sowing of chickpeas.

As per trade sources, Import quotes for wheat from different origins to Tuticorin port witnessed steady to firm tone in last week. As of now Tuticorin port price for APW is Rs 1950-60 per quintal, ASW is Rs 1910-1920 per quintal and Russian/Ukrainian wheat at Rs 1750-1760 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 Agriwatch preliminary estimate wheat acreage in 2017-18 is expected to be 299.4 lakh hectares which is down by 1.47 percent from normal area of 304.43 lakh hectares. Lower water availability and security given by state government to buy chickpea at MSP, even if the central government doesn't may lead to a shift in acreage of wheat towards chickpea in Madhya Pradesh.

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.

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.

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.

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:06.11.2017 | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 17-Nov | 8 | 1711 | 1721 | 1687 | 1721 | 3810 | 2,800 | 5200 | -1,090 |
| 17-Dec | 0 | 1735 | 1754 | 1714 | 1736 | 4270 | 3,250 | 5920 | 320 |
| 18-Jan | -8 | 1774 | 1766 | 1766 | 1766 | 10 | 0 | 70 | 0 |

| Spread | Nov-17 | Dec-17 | Jan-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 17-Nov | -19 | | | |
| 17-Dec | | 15 | | |
| 18-Jan | | | 30 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|----------|-------------|----------|-----------|
| | 4.Nov.17 | 4.Nov.17 | 4.Nov.17 | 30.Oct.17 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 6798 | 1297 | 8095 | 6226 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 06.11.2017

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
| | | | 6-Nov-17 | 4-Nov-17 | |
| Delhi | Lawrence Road | Mill Delivery | 1835 | Closed | - |
| | Narella | Mill Quality Loose | 1740 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 1750 | Closed | - |
| Gujarat | Rajkot | Mill Delivery | 1580 | 1590 | -10 |
| | Ahmedabad | Mill Delivery | 1740 | 1740 | Unch |
| | Surat | Mill Delivery | 1790 | 1800 | -10 |
| | Dhrol | Mill Quality Loose | 1685 | NR | - |
| M.P. | Indore | Mill Delivery | 1600 | 1650 | -50 |
| | Bhopal | Mill Quality Loose | Closed | Closed | - |
| Rajasthan | Kota | Mill Quality Loose | 1575 | Closed | - |
| | | Mill Delivery | 1660 | Closed | - |
| U.P. | Kanpur | Mill Delivery | 1725 | 1715 | 10 |
| | Mathura | Mill Quality Loose | 1625 | 1650 | -25 |
| | Kosi | Mill Quality Loose | NA | 1625 | - |
| | Hathras | Mill Quality Loose | NR | 1660 | - |
| | Aligarh | Mill Quality Loose | 1600 | 1600 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1695 | Closed | - |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1725 | 1730 | -5 |
| | Hodal | Mill Delivery | 1825 | Closed | - |

| | | | | | |
|------------|-------------------------------|--------------------|------|--------|------|
| | Bhiwani | Mill Quality Loose | 1780 | 1760 | 20 |
| | Karnal | Mill Delivery | 1725 | 1795 | -70 |
| | Panipat | Mill Quality Loose | 1625 | 1625 | Unch |
| Tamil Nadu | Chennai | Mill Quality | 2050 | Closed | - |
| | Madurai | Mill Quality | 2107 | Closed | - |
| | Coimbatore | Mill Quality | 2107 | Closed | - |
| Bihar | Khagariya | Mill Delivery | NR | 1600 | - |
| | Muzaffarpur | Mill Delivery | 1620 | 1610 | 10 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NR | NR | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|----------|--------|
| | | | 6-Nov-17 | 4-Nov-17 | |
| Gujarat | Rajkot | Lokwan | 1800 | 1850 | -50 |
| M.P. | Indore | Lokwan | 1900 | 2000 | -100 |
| | Bhopal | Lokwan | Closed | Closed | - |
| | Bina | Sarbati 306 | 2350 | 2400 | -50 |
| Rajasthan | Kota | LokwanBilty | 1750 | Closed | - |
| | Baran | Lokwan | NR | NR | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 6-Nov-17 | 4-Nov-17 | |
| Delhi | Lawrence Road | Mill Delivery | 15000 | Closed | - |
| | Narella | Mill Quality Loose | 600 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 50 | Closed | - |
| Gujarat | Rajkot | Mill Quality Loose | 900 | 600 | 300 |
| | Dhrol | Mill Quality Loose | 345 | NR | - |
| M.P. | Indore | Mill Quality Loose | 3000 | 2000 | 1000 |
| Rajasthan | Kota | Mill Quality | 5000 | Closed | - |
| U.P. | Kanpur | Mill Quality Loose | 800 | 700 | 100 |
| | Mathura | Mill Quality Loose | 200 | 200 | Unch |
| | Kosi | Mill Quality Loose | NA | 200 | - |
| | Hathras | Mill Quality Loose | NR | 250 | - |
| | Aligarh | Mill Quality Loose | 300 | 300 | Unch |
| Punjab | Khanna | Mill Quality Loose | 300 | Closed | - |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 100 | 100 | Unch |
| | Hodal | Mill Quality Loose | 50 | Closed | - |
| | Bhiwani | Mill Quality Loose | 400 | 400 | Unch |

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

| Wheat Products Delhi | 6-Nov-17 | 4-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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