

Wheat Domestic Fundamentals:

There is a rumor in the market that government may not procure wheat at MSP of Rs 1735 per quintal in the upcoming marketing year 2018-19. Government may come up with a new strategy of giving price difference directly in the account of the farmers.

FCI will offer a total quantity 1067100 tonnes of wheat in different states through e-auction on 09th November at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 356000 tonnes in Maharashtra followed by 279800 tonnes in Haryana, 110600 tonnes in M.P, 70700 tonnes in Punjab, 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 30000 tonnes in Tamil Nadu, 20800 tonnes in Karnataka, 20000 tonnes in Rajasthan, 16000 tonnes in Delhi, 10000 tonnes in Kerala, 9500 tonnes in Andhra Pradesh, 7500 tonnes in Jammu & Kashmir, 5000 tonnes in Uttar Pradesh, 4500 tonnes in Uttarakhand, 3700 tonnes in Chandigarh, 3000 tonnes in Gujarat, 3000 tonnes in Pondicherry, 2000 tonnes in Bihar, 1500 tonnes in Himachal Pradesh, 1500 tonnes in Chhattisgarh, 1000 tonnes in Goa and 1000 tonnes in Jharkhand.

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 lack 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 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:

As on 07th November Russia has harvested 88.0 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.

As per latest update, china has sold 150353 tonnes of wheat for average price of 2497 yuan (\$377.04) per tonne at an auction of state reserves. The quantity sold represents around 7.47 percent of 2010903 tonnes of wheat available at auction.

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.

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:08.11.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	+1	1715	1717	1705	1716	360	-1,290	4850	-130
17-Dec	-5	1742	1749	1742	1747	560	-1,450	6880	250
18-Jan	-6	1776	1770	1770	1770	10	0	80	0

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	-19			
17-Dec		31		
18-Jan			23	

Stocks	Demat	In- Process	Total	FED
	7.Nov.17	7.Nov.17	7.Nov.17	6.Nov.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3853	1847	5700	3204
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 8.11.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Nov-17	7-Nov-17	
Delhi	Lawrence Road	Mill Delivery	1835	1830	5
	Narella	Mill Quality Loose	Closed	1735	-
	Nazafgarh	Mill Quality Loose	Closed	1750	-
Gujarat	Rajkot	Mill Delivery	1590	1585	5
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1780	1800	-20
	Dhrol	Mill Quality Loose	NR	1745	-
M.P.	Indore	Mill Delivery	1625	1625	Unch
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1575	1575	Unch
		Mill Delivery	1660	1660	Unch
U.P.	Kanpur	Mill Delivery	1735	1725	10
	Mathura	Mill Quality Loose	1630	1630	Unch
	Kosi	Mill Quality Loose	1615	1625	-10
	Hathras	Mill Quality Loose	1680	1640	40
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	1695	1680	15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1730	-5
	Hodal	Mill Delivery	1825	1825	Unch

	Bhiwani	Mill Quality Loose	1750	1770	-20
	Karnal	Mill Delivery	1720	1720	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	1650	1650	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
			8-Nov-17	7-Nov-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	Closed	2350	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Nov-17	7-Nov-17	
Delhi	Lawrence Road	Mill Delivery	7500	8000	-500
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	750	600	150
	Dhrol	Mill Quality Loose	NR	465	-
M.P.	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	1150	1100	50
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	250	300	-50
	Hathras	Mill Quality Loose	200	500	-300
	Aligarh	Mill Quality Loose	Closed	150	-
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	25	25	Unch
	Bhiwani	Mill Quality Loose	400	200	200

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

Wheat Products Delhi	8-Nov-17	7-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:07.11.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	430.25	431.00	424.00	427.25	-3.50
18-Mar	448.00	448.25	441.25	444.75	-3.50
18-May	459.25	460.75	454.00	457.25	-3.50
18-Jul	473.50	474.00	467.75	471.00	-3.25
18-Sep	487.50	487.50	483.00	486.25	-3.25
18-Dec	507.00	507.00	502.25	506.00	-2.75

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