

Wheat Domestic Fundamentals:

As per trade sources, Import quotes for wheat from various origins to Tuticorin port witnessed firm tone today. As of now Tuticorin port price for APW is Rs 2060-70 per quintal, ASW is Rs 1990-2000 per quintal and Russian/Ukrainian wheat at Rs 1790-1810 per quintal. Import quotes have become firm as government has increased import duty from 10 percent to 20 percent.

Government has increased import duty on wheat from current level of 10 percent to 20 percent. This move would not only help in curbing imports but also provide support to domestic prices.

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.

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 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 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:

GASC has purchased 120000 tonnes of Russian wheat through tender. ADM offered 60000 tonnes of Russian wheat at FoB \$196.50 per tonne and Union offered 60000 tonnes of Russian wheat at FoB \$196.50 per tonne.

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 new Australian wheat crop that is providing tight competition to Russian wheat. 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 \$190-194/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$183-187/tonne.

As per latest update, Japan's ministry of agriculture bought 132390 MMT of food quality wheat from United States, Canada and Australia. Around 57995 MMT has been bought from United States to be loaded between December 21 and January 20, 24025 MMT of standard white wheat has been bought from west Australia to be loaded between January 01 and January 31 and 50370 MMT with minimum protein content of 13.5 percent has been bought from Canada to be loaded between December 21 and January 20.

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.

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

Wheat Futures Contract: NCDEX Price								Date:09.11.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Nov	23	1725	1763	1725	1735	1110	750	4520	-330
17-Dec	24	1761	1797	1761	1772	4620	4,060	8140	1,260
18-Jan	25	1790	1803	1790	1795	60	50	90	10

Spread	Nov-17	Dec-17	Jan-18	
Spot Narela				
17-Nov	-5			
17-Dec		37		
18-Jan			23	

Stocks	Demat	In- Process	Total	FED
	8.Nov.17	8.Nov.17	8.Nov.17	6.Nov.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5700	549	6249	3204
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 9.11.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Nov-17	8-Nov-17	
Delhi	Lawrence Road	Mill Delivery	1860	1835	25
	Narella	Mill Quality Loose	1740	Closed	-
	Nazafgarh	Mill Quality Loose	NR	Closed	-
Gujarat	Rajkot	Mill Delivery	1610	1590	20
	Ahmedabad	Mill Delivery	1770	1740	30
	Surat	Mill Delivery	1810	1780	30
	Dhrol	Mill Quality Loose	1755	NR	-
M.P.	Indore	Mill Delivery	1625	1625	Unch
	Bhopal	Mill Quality Loose	1620	1625	-5
Rajasthan	Kota	Mill Quality Loose	NR	1575	-
		Mill Delivery	NR	1660	-
U.P.	Kanpur	Mill Delivery	1725	1735	-10
	Mathura	Mill Quality Loose	1640	1630	10
	Kosi	Mill Quality Loose	1615	1615	Unch
	Hathras	Mill Quality Loose	1685	1680	5
	Aligarh	Mill Quality Loose	1620	Closed	-
Punjab	Khanna	Mill Quality Loose	1695	1695	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	1825	1825	Unch

	Bhiwani	Mill Quality Loose	1750	1750	Unch
	Karnal	Mill Delivery	1720	1720	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	NR	2050	-
	Madurai	Mill Quality	NR	2107	-
	Coimbatore	Mill Quality	NR	2107	-
Bihar	Khagariya	Mill Delivery	1650	1650	Unch
	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
			9-Nov-17	8-Nov-17	
Gujarat	Rajkot	Lokwan	1850	1800	50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2350	Closed	-
Rajasthan	Kota	LokwanBilty	NR	1750	-
	Baran	Lokwan	1675	1650	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Nov-17	8-Nov-17	
Delhi	Lawrence Road	Mill Delivery	8000	7500	500
	Narella	Mill Quality Loose	600	Closed	-
	Nazafgarh	Mill Quality Loose	NR	Closed	-
Gujarat	Rajkot	Mill Quality Loose	800	750	50
	Dhrol	Mill Quality Loose	29	NR	-
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	NR	5000	-
U.P.	Kanpur	Mill Quality Loose	1200	1150	50
	Mathura	Mill Quality Loose	200	150	50
	Kosi	Mill Quality Loose	300	250	50
	Hathras	Mill Quality Loose	90	200	-110
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	500	300	200
	(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	200	400	-200

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

Wheat Products Delhi	9-Nov-17	8-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:08.11.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	427.25	427.50	419.00	426.75	-0.50
18-Mar	445.25	445.25	436.75	443.75	-1.00
18-May	457.00	457.50	449.25	456.00	-1.25
18-Jul	470.25	470.50	462.25	469.50	-1.50
18-Sep	485.50	485.75	477.50	484.75	-1.50
18-Dec	504.50	505.00	497.25	504.50	-1.50

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