

Wheat Domestic Fundamentals:

FCI has offered a total of 24858202 tonnes of wheat through E-Auction since June until fourth tender in November. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports. In the month of June 115000 tonnes was sold against offered quantity of 1104050 tonnes, 34400 tonnes was sold in July against offered quantity of 4934602 tonnes, 43550 tonnes was sold in August against offered quantity of 5770100 tonnes, 18050 tonnes was sold in September against offered quantity of 4437300 tonnes, 131150 tonnes was sold in October against offered quantity of 4276700 tonnes and 230750 tonnes has been sold in four tenders of November against offered quantity of 4335450 tonnes.

As per latest update third shipment of Indian wheat consisting of 15000 tonnes has reached Chabahar on Saturday and will be unloaded and transited to south-western Afghanistan. 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. Furthermore it will also increase job opportunities in Iran and Afghanistan.

All India weekly average prices decreased by 4.34 percent to Rs. 1829.45 per quintal during the week ended 23rd November 2017. Wheat average price were ruling at Rs 1912.51 per quintal during 09-15 November 2017. As compared to prices in the week 16-23 November 2016, the prices are weak by 7.03 percent. Prices are expected to remain steady to firm in coming days.

According to latest update, area sown until 23rd November'17 is 110.66 lakh hectares compared to 126.35 lakh hectares in the previous Rabi season. The normal area is 301.74 lakh hectares. Progressive area was reported lower in Punjab, Haryana, Rajasthan, Uttar Pradesh and Madhya Pradesh compared to last year for the same date.

As per trade sources, Import quotes for wheat from various origins to Tuticorin port witnessed weak tone in the week. As of now Tuticorin port price for APW is Rs 2000 per quintal, ASW is Rs 1825 per quintal and Ukrainian wheat at Rs 1750 per quintal. Ample availability is keeping global wheat prices under pressure.

As per latest update, state government in west Bengal has banned cultivation of wheat within five kilometers of Bangladesh border to prevent wheat blast disease from spreading. Wheat blast disease causes ripe wheat to turn whitish and dry up. The disease can leave a land barren, for two years and more. Therefore, to prevent the disease from spreading and returning in next season, the entire field has to be burned and ashes disposed of.

As per latest update, wheat stock in central pool as on 1st November'17 stood at 238.50 lakh tonnes down by 7.79% compared to last month. This quantity is higher by around 26.59% compared to last year for the same month. For the month of October off take from central pool was around 20.16 lakh tonnes compared to 24.87 lakh tonnes for October '2016 and 29.50 lakh tonnes for October'2015. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

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 per latest update, farmers in European Union have sowed around 98 percent of planned area compared to 95 percent a week earlier. Furthermore around 96 percent of soft wheat has already emerged and is in good or excellent condition. EU is likely to produce 151.6 MMT of wheat in 2017-18.

Russian milling wheat prices remained stable compared to last week. Demand for Russian wheat is good however traders are facing logistical problems at Azov port. 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 \$190-193/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$181-185/tonne.

GASC has purchased 240000 tonnes of Russian wheat through tender. Daewoo offered 60000 tonnes of Russian wheat at FoB \$194.65 per tonne, GTCS offered 60000 tonnes of Russian wheat at FoB \$194.65 per tonne, Garant offered 60000 tonnes of Russian wheat at FoB \$194.65 per tonne and GTCS offered 60000 tonnes of Russian wheat at FoB \$194.65 per tonne.

As per latest update, Japan's ministry of agriculture bought 125611 MMT of food quality wheat from United States, Canada and Australia. Around 65530 MMT has been bought from United States to be loaded between December 21 and January 20, 24900 MMT of standard white wheat has been bought from west Australia to be loaded between January 01 and January 31 and 35181 MMT with minimum protein content of 13.5 percent has been bought from Canada to be loaded between December 21 and January 20.

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

| Wheat Futures Contract: NCDEX Price | | | | | | | | Date:27.11.2017 | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 17-Dec | -14 | 1690 | 1698 | 1682 | 1685 | 1490 | 550 | 10730 | -720 |
| 18-Jan | -14 | 1721 | 1721 | 1712 | 1714 | 840 | 730 | 1300 | 690 |
| 18-Feb | 0 | 1757 | 1757 | 1757 | 1757 | 0 | 0 | 0 | 0 |

| Spread | Dec-17 | Jan-18 | Feb-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 17-Dec | -25 | | | |
| 18-Jan | | 29 | | |
| 18-Feb | | | 43 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 25.Nov.17 | 25.Nov.17 | 25.Nov.17 | 21.Nov.17 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 8781 | 49 | 8830 | 7046 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 27.11.2017

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 27-Nov-17 | 25-Nov-17 | |
| Delhi | Lawrence Road | Mill Delivery | 1835 | 1825 | 10 |
| | Narella | Mill Quality Loose | 1710 | 1720 | -10 |
| | Nazafgarh | Mill Quality Loose | 1740 | 1740 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1650 | Closed | - |
| | Ahmedabad | Mill Delivery | 1750 | 1760 | -10 |
| | Surat | Mill Delivery | 1810 | 1820 | -10 |
| | Dhrol | Mill Quality Loose | 1775 | NR | - |
| M.P. | Indore | Mill Delivery | 1650 | 1650 | Unch |
| | Bhopal | Mill Quality Loose | Closed | 1635 | - |
| Rajasthan | Kota | Mill Quality Loose | 1565 | 1565 | Unch |
| | | Mill Delivery | 1665 | 1665 | Unch |
| U.P. | Kanpur | Mill Delivery | 1640 | 1640 | Unch |
| | Mathura | Mill Quality Loose | 1632 | Closed | - |
| | Kosi | Mill Quality Loose | 1625 | 1640 | -15 |
| | Hathras | Mill Quality Loose | NR | 1600 | - |
| | Aligarh | Mill Quality Loose | 1623 | 1600 | 23 |
| Punjab | Khanna | Mill Quality Loose | 1705 | 1700 | 5 |
| | Ludhiana (Jagraon) | Mill Delivery | NR | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1725 | 1725 | Unch |
| | Hodal | Mill Delivery | 1800 | 1800 | Unch |

| | | | | | |
|-------------------|-------------------------------|--------------------|------|--------|------|
| | Bhiwani | Mill Quality Loose | 1770 | 1770 | Unch |
| | Karnal | Mill Delivery | 1750 | 1750 | 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 | 1600 | 1575 | 25 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NR | Closed | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NR | Closed | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|-------------|-----------------|-----------|--------|
| | | | 27-Nov-17 | 25-Nov-17 | |
| Gujarat | Rajkot | Lokwan | 1850 | Closed | - |
| M.P. | Indore | Lokwan | 1900 | 1900 | Unch |
| | Bhopal | Lokwan | Closed | 1710 | - |
| | Bina | Sarbati 306 | 2300 | 2250 | 50 |
| Rajasthan | Kota | LokwanBilty | 1750 | 1750 | Unch |
| | Baran | Lokwan | NR | NR | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 27-Nov-17 | 25-Nov-17 | |
| Delhi | Lawrence Road | Mill Delivery | 6500 | 6500 | Unch |
| | Narella | Mill Quality Loose | 400 | 300 | 100 |
| | Nazafgarh | Mill Quality Loose | 100 | 100 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 700 | Closed | - |
| | Dhrol | Mill Quality Loose | 11 | NR | - |
| M.P. | Indore | Mill Quality Loose | 2000 | 3000 | -1000 |
| Rajasthan | Kota | Mill Quality | 3000 | 4000 | -1000 |
| U.P. | Kanpur | Mill Quality Loose | 400 | 500 | -100 |
| | Mathura | Mill Quality Loose | 200 | Closed | - |
| | Kosi | Mill Quality Loose | 200 | 500 | -300 |
| | Hathras | Mill Quality Loose | NR | 150 | - |
| | Aligarh | Mill Quality Loose | 250 | 250 | Unch |
| Punjab | Khanna | Mill Quality Loose | 400 | 300 | 100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NR | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 100 | 100 | Unch |
| | Hodal | Mill Quality Loose | 50 | 50 | Unch |
| | Bhiwani | Mill Quality Loose | 400 | 600 | -200 |

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

| Wheat Products Delhi | 27-Nov-17 | 25-Nov-17 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 1015 | 1015 | Unch |
| Maida Grade 1 (50KG) | 1135 | 1135 | Unch |
| Suji (50kg) | 1190 | 1190 | Unch |
| Chokar (50 kg) | 744 | 744 | Unch |
| Chokar (34 kg) | 516 | 516 | Unch |
| Chakki Atta (50kg) | 1025 | 1025 | Unch |
| Chakki Atta (50kg) Special | 1025 | 1025 | Unch |
| Chakki Atta (90kg) Superfine | NA | NA | - |
| Chakki Atta (50kg) Superfine | 1100 | 1100 | Unch |

| Wheat (CBOT) Future Price:24.11.2017 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 17-Dec | 422.00 | 422.25 | 412.50 | 415.75 | -7.00 |
| 18-Mar | 440.25 | 440.50 | 431.00 | 434.75 | -6.00 |
| 18-May | 453.25 | 453.25 | 444.00 | 447.50 | -6.00 |
| 18-Jul | 466.75 | 467.25 | 458.25 | 461.25 | -6.25 |
| 18-Sep | 480.25 | 481.25 | 473.25 | 476.25 | -5.75 |
| 18-Dec | 498.25 | 499.75 | 492.25 | 495.25 | -5.00 |

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