



Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals:-

All India weekly average prices increased by 1.14 percent to Rs. 1912.51 per quintal during the week ended 15th November 2017. Wheat average price were ruling at Rs 1890.9 per quintal during 01-08 November 2017. As compared to prices in the week 09-15 November 2016, the prices are weak by 0.53 percent. Prices are expected to remain steady to firm in coming days.

According to latest update, area sown until 17th November'17 is 60.19 lakh hectares compared to 75.07 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 corresponding date last year.

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 corresponding month last year. 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.

Wheat WPI has increased from 137.6 in September to 138 in October-2017. Monthly wheat inflation has increased by 0.29 percent in October-17 compared to September-17. As compared to October-16, wheat WPI has decreased by 1.99%.

As per latest update, state government in west Bengal has banned cultivation of wheat 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 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.

Agriwatch has given its production estimate of 93.5 MMT for 2017-18. Carryout is expected to be around 13.98 MMT. Availability would be 108.48 MMT, higher compared to last year because of increased production. Consumption is likely to be around 94 MMT.

Latest Developments In Domestic Markets:

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 2050 per quintal, ASW is Rs 1950-1960 per quintal and Ukrainian wheat at Rs 1750-1760 per quintal.

Indian FoB quote is hovering around \$271.75 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$183.60, \$187.90, Euro 158.80, \$185.52 and \$209.28 per tonne respectively. There is little hope for recovery at export front this year however India is expected to import 3 to 4 million tonnes in MY 2017-18.

Outlook & Recommendation:-Wheat cash market is expected to trade steady to firm in the coming week.

Trade Call: Stakeholders should trade in December contract taking care of lower and upper price tag of Rs 1675&1766 respectively.

Agriwatch Cereals Index:

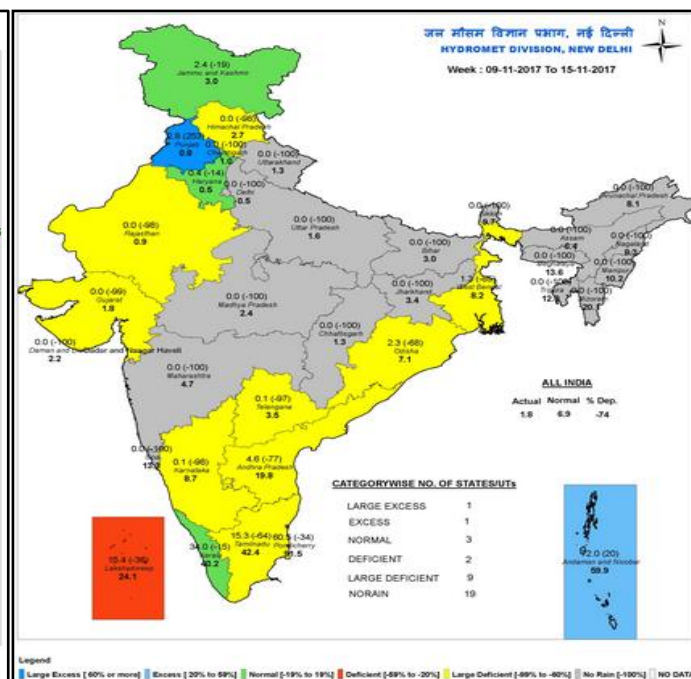
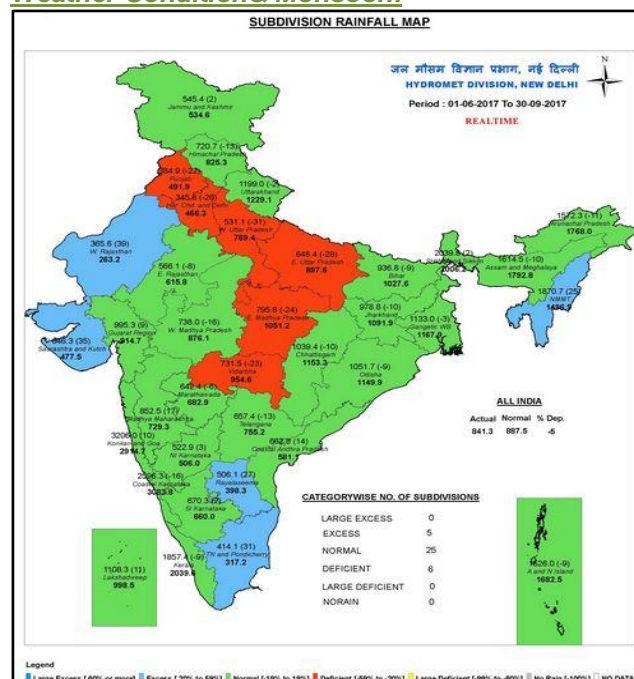
The Agriwatch Agri Commodities Index rose 0.74% to 110.34 during the week ended March 25, 2017 from 109.53 during the previous week led by higher cereals and pulses. The base for the Index and all sub-Indices is 2014 (=100).

Seven of the 9 commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices that constitute the main Index gained during the week. Spices and Sweeteners were the only declining groups this week. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 113.47 (+1.16%), Pulses: 137.35 (+3.20%), Vegetables: 41.18 (+0.41%), Edible Oils: 104.47 (+0.60%), Oilseeds: 90.01 (+0.80%), Spices: 97.92 (-3.29%), Sweeteners: 125.31 (-0.44%), Fibers: 115.44 (+1.72%) and Other Non-Food Articles: 95.34 (+0.08%).



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

Weather Condition & Monsoon:



Source: IMD

Wheat Weekly Average Price Chart:

Average mill delivery prices of Wheat traded steady to firm in Delhi and Ahmedabad during 10th -16th November. Prices are expected to remain steady to firm.

Prices are expected to remain firm as government has increased import duty on wheat from 10 percent to 20 percent. Increase in duty will help in curbing imports. Government has already increased MSP from Rs 1625 per quintal to Rs 1735 per quintal. Lean season accompanied with revised MSP and import duty is likely to provide support to domestic prices. Government has applied 5% GST on wheat that has been packed and branded.

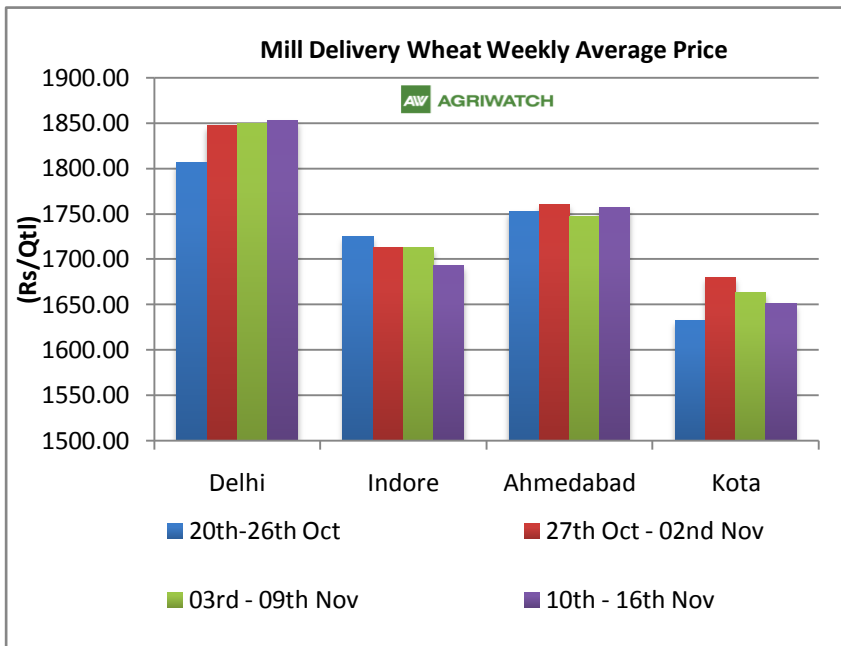

Wheat Stock Norms

Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		
	Rice	Wheat	Total	Rice	Wheat	Grand Total
As on						
1st April	115.8	44.6	160.4	20	30	210.4
1st July	115.4	245.8	361.2	20	30	411.2
1st Oct.	82.5	175.2	257.7	20	30	307.7
1st Jan	56.1	108	164.1	20	30	214.1
Buffer Norms w.e.f. 01.07.2017						

Procurement As on 21st July-2017:

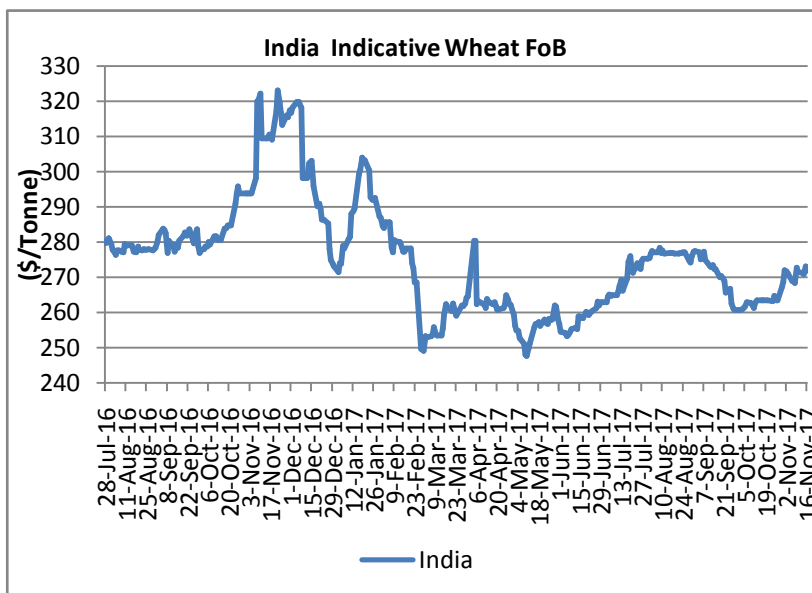
State	Target for Procurement In Marketing Season 2017-18(April To March)	Progressive Procurement As on 21.07.2017(Fig In Lakh Tonne)		
		In Marketing Season 2017-18	In Marketing Season 2016-17	% Ch Over Previous Year
Haryana	75.00	74.11	67.52	9.76%
Madhya Pradesh	85.00	67.24	39.92	68.44%
Punjab	115.00	117.05	106.49	9.92%
Rajasthan	17.50	12.45	7.62	63.12%
Uttar Pradesh	30.00	36.99	7.97	364.12%
All-India	330.00	308.01	229.62	34.13%

Total wheat procurement was registered at 229.62 lakh tonnes till 28th June -2016. Against set target of 33 MMT Government has procured 308.01 lakh tonnes until 21st July-17.

FOB Quote for Wheat at Kandla:

Wheat FoB quote in India witnessed steady to firm tone last week. The demand for Indian wheat in the international market is low. Export window remains restricted due to huge disparity. There are no takers at higher level.

Wheat FoB quote for Kandla is likely to witness steady to firm tone in the coming week and is likely to hover in the range of \$270-280 per tonne. Abundant availability of wheat in international market at lower prices compared to export prices of India has also reduced demand of Indian wheat in international market. Black sea region has harvested good crop this year which has further reduced the region's export quotes and increased price gap between India and black sea region.



Indicative FOB Quotes:

Wheat FOB	Variety	Yesterday	Week Ago	Month Ago	Year Ago	% Change over Prev. Year
		15-Nov-17	8-Nov-17	15-Oct-17	15-Nov-16	
USA (Chicago)	2srw	183.70	186.20	191.59	179.93	2.10
France	FCW3	186.58	184.83	187.55	182.45	2.26
Australia	ASW	209.60	211.20	210.40	187.00	12.09
Russia	SRW	182.50	185.00	187.50	180.50	1.11
India	Fob	273.10	268.26	263.40	310.61	-12.08

	16/11/2017	09/11/2017	02/11/2017	26/10/2017
Black Sea Mill Wheat 12.5% FOB Pmax. (\$/T)	193	194	194	193
Black Sea Mill Wheat 11.5% FOB Pmax. (\$/T)	184	187	186	184

Wheat Futures Contact: NCDEX Price								Date: 17.11.2017	
Contract Month	Change from previous day	Open	High	Low	Close	Volume	Change From previous day	Open Interest	Change From previous day
17-Nov	-12	1679	1672	1661	1667	450	+350	1240	0
17-Dec	+3	1723	1723	1710	1712	710	+390	11450	+240
18-Jan	-8	1751	1748	1739	1743	110	+110	240	+50

Wheat Technical Analysis:

Wheat Weekly Price Table:

Spot prices of wheat at NCDEX Delivery centers					
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	% Change over prev. Year
	16-Nov-17	9-Nov-17	17-Oct-17	16-Nov-16	
Indore	1676	1674	1675	1956	-14.31
Delhi	1839	1855	1787	2200	-16.41
Kanpur	1700	1690	1700	2000	-15.00
Rajkot	1692	1672	1630	NA	-
Kota	1677	1683	1643	1969	-14.83

Source: NCDEX; NCDEX delivery prices are inclusive of Mandi tax and other applicable state taxes along with handling & packaging costs.

Domestic Market Weekly Outlook:

As of now, Wheat cash market is trading steady and is likely to trade steady to firm in the coming week, as prices are being supported by lean season, increase in MSP from Rs 1625 per quintal to Rs 1735 per quintal and hike in import duty from 10 percent to 20 percent.

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			16-Nov-17	15-Nov-17	9-Nov-17	16-Oct-17	16-Nov-16
Delhi	Lawrence Road	Mill Delivery	1840	1840	1860	1785	2100
	Narella	Mill Quality Loose	1730	Closed	1740	1700	1960
	Nazafgarh	Mill Quality Loose	1740	Closed	1750	NA	2000
Gujarat	Rajkot	Mill Delivery	1615	1610	1610	1550	NA
	Ahmedabad	Mill Delivery	1770	1770	1770	1750	2080
	Surat	Mill Quality Loose	1820	1820	1810	1800	2100
	Dhrol	Mill Delivery	NR	1790	1755	Closed	NA
M.P.	Indore	Mill Quality Loose	1650	1650	1625	NA	2000
	Bhopal	Mill Delivery	1625	1625	1620	NA	1900
Rajasthan	Kota	Mill Quality Loose	1580	1580	1575	NA	1860
		Mill Delivery	1650	1650	1660	NA	1950
U.P.	Kanpur	Mill Delivery	1745	1750	1725	1720	1900
	Mathura	Mill Quality Loose	1630	1625	1640	1585	1880
	Kosi	Mill Quality Loose	1660	1660	1615	1585	1910
	Hathras	Mill Quality Loose	1695	1690	1685	1590	1950
	Aligarh	Mill Quality Loose	1620	Closed	1620	1560	NA
Punjab	Khanna	Mill Quality Loose	1700	1695	1695	Closed	1950
	Ludhiana (Jagraon)	Mill Delivery	NA	NR	NA	NA	NA
Haryana	Sirsa	Mill Delivery loose	1730	1730	1725	1705	1925
	Hodal	Mill Delivery	1855	1825	1825	1740	2020
	Bhiwani	Mill Quality Loose	1770	1770	1750	1695	2010
	Karnal	Mill Quality Loose	1750	1750	1720	1710	NA
	Panipat	Mill Quality	1625	1625	1625	1625	NA

		Loose					
Tamil Nadu	Chennai	Mill Quality	2060	2060	NR	NA	2300
	Madurai	Mill Quality	2117	2117	NR	NA	2357
	Coimbatore	Mill Quality	2117	2117	NR	NA	2357
Bihar	Khagariya	Mill Delivery	1600	1650	1650	1600	2050
	Muzaffarpur	Mill Delivery	1615	1615	1620	NA	1870

Progressive Sowing Status till 17th Nov-2017:

State Wise Wheat Sowing Progressive in Lakh Hectares Till 17.11.2017				
State	Normal area	This Year	Last Year	% Change
Andhra Pradesh	0.03	0.00	0.00	0.00
Arunachal Pradesh	0.04	0.00	0.00	0.00
Assam	0.33	0.00	0.00	0.00
Bihar	21.25	0.87	0.11	690.91
Chhattisgarh	1.04	0.02	0.01	111.00
Goa	0.00	0.00	0.00	0.00
Gujarat	11.56	1.10	0.30	266.67
Haryana	25.39	6.93	8.66	-19.98
Himachal Pra.	3.50	1.45	1.44	0.97
J&K	2.96	0.09	0.28	-67.94
Jharkhand	1.65	0.02	0.00	0.00
Karnataka	2.06	1.29	0.73	76.71
Kerala	0.00	0.00	0.00	0.00
Madhya Pradesh	54.96	15.59	18.70	-16.63
Maharashtra	9.38	0.98	1.08	-9.03
Manipur	0.02	0.00	0.00	0.00
Meghalaya	0.00	0.00	0.00	0.00
Nagaland	0.03	0.00	0.00	0.00
Odisha	0.01	0.00	0.00	0.00
Punjab	35.13	14.10	19.62	-28.13
Rajasthan	30.47	4.52	7.37	-38.65
Sikkim	0.01	0.00	0.00	0.00
Tamil Nadu	0.00	0.00	0.00	0.00
Telangana	0.04	0.00	0.00	0.00
Tripura	0.00	0.00	0.00	0.00
Uttar Pradesh	97.59	11.32	14.82	-23.61
Uttarakhand	3.53	1.80	1.83	-1.64
West Bengal	3.29	0.11	0.12	-8.33
Others	0.19	0.00	0.00	-100.00
All-India	304.43	60.19	75.07	-19.81

Source: Ministry of Agriculture

International Market Update:

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.

Russian milling wheat prices with 12.5% protein content decreased by around \$1-2 per tonne, compared to last week. Prices have become weak due to increased competition in global market and weak rouble. 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 \$181-184/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.

As on 07th November Russia has harvested 88.0 million tonnes of wheat compared to 75.8 million tonnes a year earlier. 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, Ukraine has sown around 5.9 million hectares of wheat compared to 5.7 million hectares during corresponding period last year. Winter wheat accounts for 95 percent of Ukraine's total area for wheat. Ukraine produced around 26.6 million tonnes of wheat in 2017.

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.

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.

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.

Australia has signed deals with Vietnam to export 30000 tonnes APW new crop at cost and freight \$ 252 per tonne. High global stock is forcing wheat suppliers in Australia to keep their prices at lower levels. Australian wheat is being quoted at \$232 per tonne compared to \$250- \$260 per tonne. Australia's wheat output is expected to be around 20.15 MMT in 2017-18 compared to 35.5 MMT last year.

IGC Wheat Balance Sheet:

IGC Forecast(Fig-In MMT)	2014-15	2015/16	2016/2017	2017-18 (Forecast)	
			(Estimate)	28.09.2017	26.10.2017
Production	730	736	754	748	748
Trade	153	166	176	174	174
Consumptions	715	719	736	742	741
Carryover stocks	207	224	242	248	249
Y-O-Y change	16	17	18	-	7
Major Export	66	66	76	69	71

- IGC has kept its forecast unchanged for wheat at 748 MMT as on 26th October-2017 for 2017-18. According to estimate by IGC for 2016-17 global wheat production was around 754 MMT against 736 MMT for 2015-16. The difference is around 18 MMT from previous estimate. Higher projection for wheat may pressurize global wheat market at current level and any major recovery from current level is unlikely.
- Trade forecast have been kept unchanged at 174 MMT. It is 2MMT lower compared to estimate for last year and higher by 8 MMT compared to 2015-16.
- Consumption has been decreased to 741 MMT for 2017-18. The forecast is higher by 5 MMT compared to 2016-17.
- Carryout has been increased to 249 MMT for 2017-18. It is higher by around 7 MMT compared to estimate of 2016-17.

CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	15-Nov-17	8-Nov-17	15-Oct-17	15-Aug-17	15-May-17	15-Nov-16	
Dec-17	154.31	156.79	161.47	167.53	168.54	177.36	-13.00
Mar-18	160.83	163.03	168.27	175.34	175.43	181.95	-11.61
May-18	165.33	167.53	172.86	180.39	179.66	184.80	-10.54
Jul-18	170.29	172.49	177.91	184.34	182.05	185.54	-8.22
Sep-18	175.62	178.10	183.79	189.30	186.27	190.13	-7.63
Dec-18	182.41	185.35	190.41	195.64	191.14	199.50	-8.56

CBOT-Dec-17

1st Support: 151.00
2nd Support: 149.00
1st Resistant: 175.00
2nd Resistant: 177.00
(\$ per tonne)

CBOT wheat closed at \$ 4.27 a bushel in the past week. U.S. weekly sales of wheat fell by around 37 percent compared to last week. Abundant global supplies are still weighing on wheat prices.

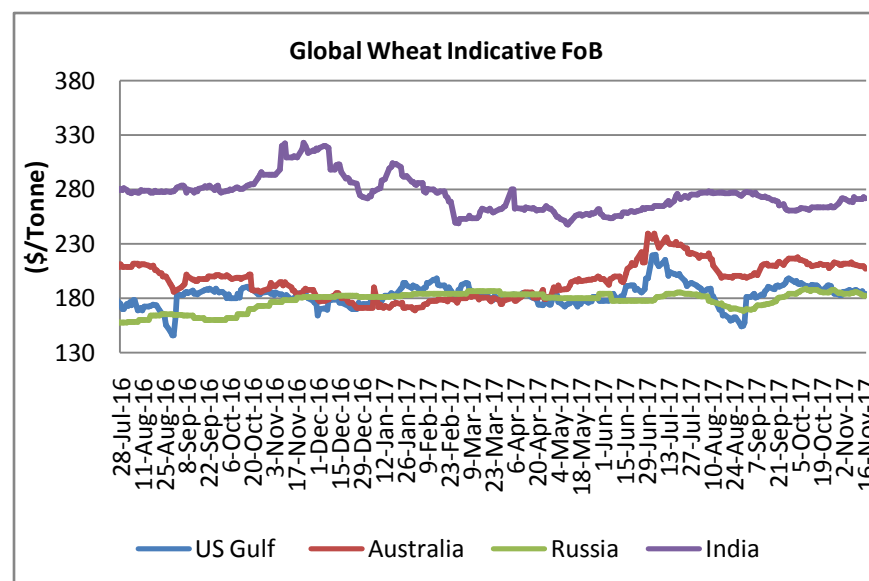


International FOB Weekly Price Movement (USD/T)

Indian FoB quote is based on local price. There is no export in bulk currently. Indian FoB quote is hovering between \$ 270.95-273.10 per tonne.

US and Russian quotes are hovering in the range of \$185.52 and \$183.60 per tonne respectively. Wheat prices in international markets witnessed steady tone in the last week.

Wheat quotes are expected to trade steady to firm and hover in the range of \$175 to \$220 in coming week.



International Weekly Outlook:

Global wheat market is expected to trade steady to weak due to higher carryover stocks and good production. EU is likely to produce around 142.5 MMT in 2017. Russia and Ukraine are likely to harvest 86-88 MMT and 26.5 MMT of wheat in 2017-18 respectively. Production in US is likely to be around 47.37 MMT compared to last year's 62.8 MMT due to fall in area sowed. Australia is likely to produce 20.1 MMT in 2017 compared to 35 MMT in 2016 due to lower acreage and unfavorable weather conditions. Argentina is expecting to harvest around 15.9MMT in 2017-18 compared to 17.6 MMT in 2016-17. Furthermore, Canada is likely to harvest around 27 MMT in 2017-18 due to lower acreage compared to 31.7 MMT in 2016-17.

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