

Wheat Domestic Fundamentals:

As per latest update, the second Indian ship carrying 110000 tonnes of wheat in 655 containers has arrived chabahar port. The first ship has already carried 15000 tonnes to the same port. These shipments will demonstrate the viability of the route and the port is likely to become fully operational by the end of next year.

FCI has offered a total of 26759852 tonnes of wheat through E-Auction since June until first tender in December. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports. In the first tender of December FCI has offered 941850 tonnes.

All India weekly average prices increased by 2.80 percent to Rs. 1804.00 per quintal during the week ended 08th December 2017. Wheat average price were ruling at Rs 1856.01 per quintal during 24-30 November 2017. As compared to prices in the week 01-08 December 2016, the prices are weak by 11.34 percent. Prices are expected to remain steady to weak in coming days.

According to latest update, area sown until 08th December'17 is 190.87 lakh hectares compared to 203.56 lakh hectares in the previous Rabi season. The normal area is 304.43 lakh hectares. Progressive area was reported lower in Punjab, Haryana, Rajasthan, Maharashtra and Madhya Pradesh compared to last year for 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 being quoted at Rs 2020-2030 per quintal due to lower stock in domestic market and no new contracts have been signed for importing this grade. ASW is Rs 1880 per quintal and Ukrainian wheat at Rs 1730-1740 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

All India average monthly prices for wheat decreased by 2.46 percent from Rs 1875.99 (in October) to Rs 1829.92 per qtl in November-2017. Average price (November) is lower by 7.83 percent compared to price (Rs 1985.46 per qtl.) registered in November-2016. Government has increased MSP of wheat by Rs 110 per quintal to Rs 1735 per quintal. Furthermore government has also increased import duty in order to curb imports and provide support to domestic prices.

FCI will offer a total quantity 941850 tonnes of wheat in different states through e-auction on 07th December at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 309000 tonnes in Maharashtra followed by 197950 tonnes in Punjab, 115400 tonnes in M.P, 74200 tonnes in Haryana, 60000 tonnes in West Bengal, 50000 tonnes in Odisha, 23900 tonnes in Tamil Nadu, 20000 tonnes in Rajasthan, 16000 tonnes in Delhi, 15000 tonnes in Uttar Pradesh, 13000 tonnes in Chandigarh, 9500 tonnes in Kerala, 9450 tonnes in Karnataka, 8750 tonnes in J&K, 6500 tonnes in Andhra Pradesh, 3500 tonnes in Assam, 2000 tonnes in Pondicherry, 2000 tonnes in Bihar, 1500 tonnes in Himachal Pradesh, 1500 tonnes in Chhattisgarh, 1500 tonnes in Gujarat, 700 tonnes in Jharkhand and 500 tonnes in Goa.

As on 09th November wheat stock in central pool stood at 238.50 lakh tonnes down by around 7.79 percent compared to last month. Highest stock was with Punjab (66.95 lakh tonnes) followed by Madhya Pradesh (52.43 lakh tonnes), Haryana (50.89 lakh tonnes) and Uttar Pradesh (22.12 lakh tonnes). 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:

Russian milling wheat prices recovered by \$1-2 per tonne for deep-water ports like Novorossiysk and Odessa compared to last week. Russia produced record crop of around 88 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, Odessa port and Azov port are being quoted at FoB \$191-193/tonne, FoB \$189-191/tonne and FoB \$154-158/tonne respectively.

Government of Bangladesh has approved tender of 50000 tonnes of wheat with 12.5 percent protein content at CiF \$245.35 per tonne. The wheat was sold by South Korean company Singsong Food Corporation. The said quantity is likely to be supplied from black sea region.

Egypt, the largest importer of wheat in the world has about 3.4 MMT of wheat in its reserves which are sufficient for around 4.5 months. Egypt expects to buy 7 MMT of wheat in fiscal year 2017-18 and government has already bought around 3.4 MMT from farmers. In fiscal year 2016-17 Egypt imported around 5.58 MMT compared to 4.44 MMT in the previous year.

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

Wheat Futures Contract: NCDEX Price								Date:11.12.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Dec	-6	1575	1612	1575	1605	2630	-1,700	2730	-1,310
18-Jan	-13	1647	1652	1636	1638	2130	-290	7520	1,150
18-Feb	0	1691	1691	1691	1691	0	0	0	0

Spread	Dec-17	Jan-18	Feb-18	
Spot Narela				
17-Dec	-135			
18-Jan		33		
18-Feb			53	

Stocks	Demat	In- Process	Total	FED
	9.Dec.17	9.Dec.17	9.Dec.17	4.Dec.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7588	-	7588	7488
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 11.12.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Dec-17	9-Dec-17	
Delhi	Lawrence Road	Mill Delivery	1800	1800	Unch
	Narella	Mill Quality Loose	1740	1720	20
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	1710	Closed	-
	Surat	Mill Delivery	1810	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1650	1660	-10
	Bhopal	Mill Quality Loose	1625	1600	25
Rajasthan	Kota	Mill Quality Loose	1560	1560	Unch
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1640	1635	5
	Mathura	Mill Quality Loose	1600	1600	Unch
	Kosi	Mill Quality Loose	1660	1660	Unch
	Hathras	Mill Quality Loose	NR	1650	-
	Aligarh	Mill Quality Loose	1620	1610	10
Punjab	Khanna	Mill Quality Loose	Closed	1730	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	NA	1715	-
	Hodal	Mill Delivery	1795	1795	Unch

	Bhiwani	Mill Quality Loose	1750	1750	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	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1600	1600	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Dec-17	9-Dec-17	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1750	1710	40
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1650	NR	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Dec-17	9-Dec-17	
Delhi	Lawrence Road	Mill Delivery	5500	5000	500
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	4000	2500	1500
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	250	300	-50
	Hathras	Mill Quality Loose	NR	60	-
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	Closed	500	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	NA	100	-
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	11-Dec-17	9-Dec-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:8.12.2017					
Contract Month	Open	High	Low	Close	Change
17-Dec	395.50	395.50	391.50	392.00	-2.25
18-Mar	421.00	424.75	417.75	419.00	-2.50
18-May	434.75	437.50	431.00	432.25	-2.75
18-Jul	448.75	451.75	444.50	445.75	-3.25
18-Sep	462.50	466.00	459.00	459.75	-4.00
18-Dec	482.00	484.75	477.50	478.00	-4.25

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