

**Wheat Domestic Fundamentals:**

**As per trade sources, import quotes for wheat from various origins to Tuticorin port witnessed firm tone in the week.** As of now Tuticorin port price for APW is being quoted at Rs 2025-50 per quintal, ASW at Rs 1925 per quintal and Ukrainian wheat at Rs 1760 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

**FCI will offer a total quantity 1046850 tonnes of wheat in different states through e-auction on 21st December at a reserve price of Rs 1790 per quintal.** Of the total quantity in OMSS, highest quantity of 328000 tonnes in Maharashtra followed by 269200 tonnes in Haryana, 114450 tonnes in M.P, 97650 tonnes in Punjab, 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 21000 tonnes in Tamil Nadu, 20000 tonnes in Rajasthan, 17300 tonnes in Chandigarh, 16000 tonnes in Delhi, 15000 tonnes in Uttar Pradesh, 14000 tonnes in Kerala, 6500 tonnes in Andhra Pradesh, 4250 tonnes in J&K, 3200 tonnes in Uttarakhand, 2500 tonnes in Karnataka, 2000 tonnes in Pondicherry, 2000 tonnes in Bihar, 1500 tonnes in Himachal Pradesh, 1100 tonnes in Gujarat, 1000 tonnes in Jharkhand and 200 tonnes in Goa.

**All India weekly average prices decreased by 0.84 percent to Rs. 1788.92 per quintal during the week ended 15th December 2017.** Wheat average price were ruling at Rs 1804.00 per quintal during 01-08 December 2017. As compared to prices in the week 09-15 December 2016, the prices are weak by 11.58 percent. Prices are expected to remain steady to firm in coming days.

**According to latest update, area sown until 14th December'17 is 245.50 lakh hectares compared to 250.48 lakh hectares in the previous Rabi season.** The normal area is 301.74 lakh hectares. Progressive area was reported lower in Punjab, Haryana, Rajasthan, Maharashtra and Madhya Pradesh compared to last year for same date.

**Wheat WPI has increased from 138 in October to 139.4 in November-2017.** Monthly wheat inflation has increased by 1.01 percent in November -17 compared to October -17. As compared to October-2016 wheat WPI has decreased by 5.75 percent.

**As per market sources, wheat area in Madhya Pradesh is likely to fall this year. Dams in Madhya Pradesh were not filled even after monsoon.** Wheat may be replaced by chana in the state as it requires less water compared to wheat. Most affected areas will be Gwalior, Chambal and Rewa.

**There is a rumor in the market that government may increase import duty from 20 percent to 30 or 40 percent in order to put a complete halt on imports and increase off take of domestic wheat.**

**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.

**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 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 295000 tonnes of Russian wheat through tender.** Daewoo offered 60000 tonnes of Russian wheat at FoB \$192.45 per tonne, GTCS offered 60000 tonnes of Russian wheat at FoB \$192.50 per tonne, Union offered 60000 tonnes of Russian wheat at FoB \$193.49 per tonne, GTCS offered 60000 tonnes of Russian wheat at FoB \$193.50 per tonne and Cerealscom offered 60000 tonnes of Romanian wheat at FoB \$194.43 per tonne.

**Russian milling wheat prices weakened by \$0-1 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 \$190-193/tonne, FoB \$188-191/tonne and FoB \$153-156/tonne respectively.

**As per latest update, Japan's ministry of agriculture bought 147696 MMT of food quality wheat from United States, Canada and Australia.** Around 64736 MMT has been bought from United States, 27330 MMT of standard white wheat has been bought from west Australia and 25000 MMT with minimum protein content of 13.5 percent has been bought from Canada. All the shipments are to be loaded between January 16 and February 15.

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

| Wheat Futures Contact: NCDEX Price |                       |      |      |      |       |        | Date:20.12.2017 at 5:00 PM |      |                       |
|------------------------------------|-----------------------|------|------|------|-------|--------|----------------------------|------|-----------------------|
| Contract Month                     | Ch. from previous day | Open | High | Low  | Close | Volume | Ch. From previous day      | OI   | Ch. From previous day |
| 18-Jan                             | -5                    | 1692 | 1692 | 1675 | 1677  | 920    | 290                        | 8010 | -390                  |
| 18-Feb                             | -4                    | 1710 | 1710 | 1705 | 1709  | 110    | 0                          | 350  | 40                    |
| 18-Mar                             | 0                     | 1729 | 1729 | 1729 | 1729  | 20     | 0                          | 20   | 0                     |

| Spread      | Jan-18 | Feb-18 | Mar-18 |
|-------------|--------|--------|--------|
| Spot Narela |        |        |        |
| 18-Jan      | -33    |        |        |
| 18-Feb      |        | 32     |        |
| 18-Mar      |        |        | 20     |

| Stocks | Demat     | In- Process | Total     | FED       |
|--------|-----------|-------------|-----------|-----------|
|        | 19.Dec.17 | 19.Dec.17   | 19.Dec.17 | 18.Dec.17 |
| Delhi  | -         | -           | -         | -         |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | 5953      | 0           | 5953      | 5953      |
| Rajkot | -         | -           | -         | -         |

**Wheat Daily Prices and Arrivals on 20.12.2017**

| Centre    | Market             | Variety             | Prices (Rs/Qtl) |           | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
|           |                    |                     | 20-Dec-17       | 19-Dec-17 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1775            | 1790      | -15    |
|           | Narella            | Mill Quality Loose  | Closed          | 1710      | -      |
|           | Nazafgarh          | Mill Quality Loose  | Closed          | 1680      | -      |
| Gujarat   | Rajkot             | Mill Delivery       | 1655            | 1650      | 5      |
|           | Ahmedabad          | Mill Delivery       | 1770            | 1760      | 10     |
|           | Surat              | Mill Delivery       | 1810            | 1810      | Unch   |
|           | Dhrol              | Mill Quality Loose  | 1830            | 1800      | 30     |
| M.P.      | Indore             | Mill Delivery       | 1650            | 1650      | Unch   |
|           | Bhopal             | Mill Quality Loose  | 1625            | 1625      | Unch   |
| Rajasthan | Kota               | Mill Quality Loose  | 1560            | 1560      | Unch   |
|           |                    | Mill Delivery       | 1650            | 1650      | Unch   |
| U.P.      | Kanpur             | Mill Delivery       | 1635            | 1725      | -90    |
|           | Mathura            | Mill Quality Loose  | 1610            | 1610      | Unch   |
|           | Kosi               | Mill Quality Loose  | 1645            | 1645      | Unch   |
|           | Hathras            | Mill Quality Loose  | 1680            | 1670      | 10     |
|           | Aligarh            | Mill Quality Loose  | Closed          | 1610      | -      |
| Punjab    | Khanna             | Mill Quality Loose  | 1740            | 1740      | Unch   |
|           | Ludhiana (Jagraon) | Mill Delivery       | NA              | NA        | -      |
| Haryana   | Sirsa              | Mill Delivery loose | 1715            | 1715      | Unch   |
|           | Hodal              | Mill Delivery       | 1795            | 1795      | Unch   |

|                   |                               |                    |      |      |      |
|-------------------|-------------------------------|--------------------|------|------|------|
|                   | Bhiwani                       | Mill Quality Loose | 1730 | 1750 | -20  |
|                   | Karnal                        | Mill Delivery      | 1720 | 1710 | 10   |
|                   | Panipat                       | Mill Quality Loose | 1625 | 1625 | Unch |
| <b>Tamil Nadu</b> | Chennai                       | Mill Quality       | 2050 | 2050 | Unch |
|                   | Madurai                       | Mill Quality       | 2107 | 2107 | Unch |
|                   | Coimbatore                    | Mill Quality       | 2107 | 2107 | Unch |
| <b>Bihar</b>      | Khagariya                     | Mill Delivery      | 1750 | 1750 | Unch |
|                   | Muzaffarpur                   | Mill Delivery      | 1610 | 1610 | Unch |
| <b>FOR</b>        | Kandla (Rajasthan-Rajkot)     | Mill Quality       | NR   | NR   | -    |
|                   | Gandhidham (Rajasthan-Rajkot) | Mill Quality       | NR   | NR   | -    |

| Centre           | Market | Variety     | Prices (Rs/Qtl) |           | Change |
|------------------|--------|-------------|-----------------|-----------|--------|
|                  |        |             | 20-Dec-17       | 19-Dec-17 |        |
| <b>Gujarat</b>   | Rajkot | Lokwan      | 1850            | 1800      | 50     |
| <b>M.P.</b>      | Indore | Lokwan      | 2100            | 2100      | Unch   |
|                  | Bhopal | Lokwan      | 1725            | 1725      | Unch   |
|                  | Bina   | Sarbati 306 | Closed          | 2400      | -      |
| <b>Rajasthan</b> | Kota   | LokwanBilty | 1750            | 1750      | Unch   |
|                  | Baran  | Lokwan      | 1650            | 1650      | Unch   |

**Wheat Arrivals in Key Centers:**

| Centre           | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
|                  |                   |                    | 20-Dec-17           | 19-Dec-17 |        |
| <b>Delhi</b>     | Lawrence Road     | Mill Delivery      | 7000                | 6000      | 1000   |
|                  | Narella           | Mill Quality Loose | Closed              | 300       | -      |
|                  | Nazafgarh         | Mill Quality Loose | Closed              | 50        | -      |
| <b>Gujarat</b>   | Rajkot            | Mill Quality Loose | 600                 | 700       | -100   |
|                  | Dhrol             | Mill Quality Loose | 30                  | 13        | 17     |
| <b>M.P.</b>      | Indore            | Mill Quality Loose | 3000                | 3000      | Unch   |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 5000                | 3500      | 1500   |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 500                 | 800       | -300   |
|                  | Mathura           | Mill Quality Loose | 400                 | 1200      | -800   |
|                  | Kosi              | Mill Quality Loose | 500                 | 300       | 200    |
|                  | Hathras           | Mill Quality Loose | 12                  | NA        | -      |
|                  | Aligarh           | Mill Quality Loose | Closed              | 250       | -      |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | 500                 | 500       | Unch   |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 100                 | 200       | -100   |
|                  | Hodal             | Mill Quality Loose | 40                  | 50        | -10    |
|                  | Bhiwani           | Mill Quality Loose | 500                 | 200       | 300    |

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

| Wheat Products Delhi         | 20-Dec-17 | 19-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:19.12.2017 |        |        |        |       |        |
|--------------------------------------|--------|--------|--------|-------|--------|
| Contract Month                       | Open   | High   | Low    | Close | Change |
| 18-Mar                               | 420.50 | 424.00 | 419.00 | 419.5 | -1.00  |
| 18-May                               | 433.50 | 437.25 | 432.50 | 432.8 | -0.75  |
| 18-Jul                               | 446.75 | 450.50 | 446.00 | 446.5 | -0.25  |
| 18-Sep                               | 460.25 | 464.25 | 459.25 | 459.8 | -0.50  |
| 18-Dec                               | 477.75 | 481.75 | 476.50 | 477.5 | Unch   |
| 19-Mar                               | 492.75 | 495.00 | 490.25 | 491.3 | Unch   |

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