

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 Contract: 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
Tamil Nadu	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
Bihar	Khagariya	Mill Delivery	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1610	1610	Unch
FOR	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	
Gujarat	Rajkot	Lokwan	1850	1800	50
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1725	1725	Unch
	Bina	Sarbati 306	Closed	2400	-
Rajasthan	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	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	600	700	-100
	Dhrol	Mill Quality Loose	30	13	17
M.P.	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	5000	3500	1500
U.P.	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	-
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	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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