

Wheat Domestic Fundamentals:

As per latest update, wheat stock in central pool as on 1st December'17 stood at 216.65 lakh tonnes down by 9.16% compared to last month. This quantity is higher by around 31.33% compared to last year for the same month. For the month of November off take from central pool was around 21.85 lakh tonnes compared to 23.45 lakh tonnes for October '2016 and 30.10 lakh tonnes for October'2015. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

According to latest update, area sown until 21st December'17 is 262.74 lakh hectares compared to 272.62 lakh hectares in the previous Rabi season. The normal area is 301.74 lakh hectares. Progressive area was reported lower in Rajasthan, Maharashtra, Uttar Pradesh 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 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.

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.

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.

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 remained stable compared to last week. Demand for Russian wheat is good. Russia is expected to produce 85-88 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 is being quoted at FoB \$190-193/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$181-185/tonne. Freight rates in black sea region have eased due to higher availability of vessels in the region.

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 Cerealcon offered 60000 tonnes of Romanian wheat at FoB \$194.43 per tonne.

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.

As per latest update, agricultural ministry of Egypt has decided to end confusion regarding ergot by stating that wheat with ergot content above 0.05 would be rejected whereas shipments having ergot below this level would be treated and accepted.

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

Wheat Futures Contract: NCDEX Price							Date:22.12.2017 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	17	1685	1709	1683	1698	3330	1,740	7270	-720
18-Feb	15	1708	1736	1716	1723	910	670	790	260
18-Mar	-4	1753	1753	1726	1736	350	310	310	250

Spread	Jan-18	Feb-18	Mar-18	
Spot Narela				
18-Jan	-22			
18-Feb		25		
18-Mar			13	

Stocks	Demat	In- Process	Total	FED
	21.Dec.17	21.Dec.17	21.Dec.17	18.Dec.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5953	0	5953	5953
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 22.12.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Dec-17	21-Dec-17	
Delhi	Lawrence Road	Mill Delivery	1775	1770	5
	Narella	Mill Quality Loose	1720	1715	5
	Nazafgarh	Mill Quality Loose	1670	1670	Unch
Gujarat	Rajkot	Mill Delivery	1665	1660	5
	Ahmedabad	Mill Delivery	1775	1780	-5
	Surat	Mill Delivery	1810	1820	-10
	Dhrol	Mill Quality Loose	1760	1790	-30
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1600	1625	-25
Rajasthan	Kota	Mill Quality Loose	1560	1560	Unch
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1635	1640	-5
	Mathura	Mill Quality Loose	1590	1590	Unch
	Kosi	Mill Quality Loose	1645	1645	Unch
	Hathras	Mill Quality Loose	1625	1625	Unch
	Aligarh	Mill Quality Loose	1590	1590	Unch
Punjab	Khanna	Mill Quality Loose	1730	1725	5
	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	1730	Unch
	Karnal	Mill Delivery	1720	1720	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	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
			22-Dec-17	21-Dec-17	
Gujarat	Rajkot	Lokwan	1900	1875	25
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1715	1720	-5
	Bina	Sarbati 306	2400	2375	25
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Dec-17	21-Dec-17	
Delhi	Lawrence Road	Mill Delivery	7000	6500	500
	Narella	Mill Quality Loose	500	400	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	500	700	-200
	Dhrol	Mill Quality Loose	22	35	-13
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	200	100	100
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	60	60	Unch
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	300	600	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	22-Dec-17	21-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:21.12.2017					
Contract Month	Open	High	Low	Close	Change
18-Mar	424.00	427.50	422.50	427.00	3.50
18-May	436.50	439.75	434.75	439.00	2.75
18-Jul	450.00	453.00	448.50	451.75	1.75
18-Sep	463.00	465.75	461.50	463.75	1.00
18-Dec	479.75	482.25	478.00	479.50	Unch
19-Mar	492.50	495.00	491.25	491.25	-1.50

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