

Wheat Domestic Fundamentals:

All India weekly average prices increased by 2.28 percent to Rs. 1829.62 per quintal during the week ended 23rd December 2017. Wheat average price were ruling at Rs 1788.92 per quintal during 16-23 December 2017. As compared to prices in the week 16-23 December 2016, the prices are weak by 4.00 percent. Prices are expected to remain steady to firm in coming days.

FCI has offered a total of 28105702 tonnes of wheat through E-Auction since June until second tender in December. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports. In the month of June 115000 tonnes was sold against offered quantity of 1104050 tonnes, 34400 tonnes was sold in July against offered quantity of 4934602 tonnes, 43550 tonnes was sold in August against offered quantity of 5770100 tonnes, 18050 tonnes was sold in September against offered quantity of 4437300 tonnes, 131150 tonnes was sold in October against offered quantity of 4276700 tonnes, 294450 tonnes was sold in November against offered quantity of 5365150 tonnes and 81500 tonnes has been sold in two tenders of December against offered quantity of 2217800 tonnes.

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.

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 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 Cerealscom 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 | 16 | 1685 | 1709 | 1683 | 1697 | 3330 | 1,740 | 7270 | -720 |
| 18-Feb | 14 | 1708 | 1736 | 1716 | 1722 | 910 | 670 | 790 | 260 |
| 18-Mar | -7 | 1753 | 1753 | 1726 | 1733 | 350 | 310 | 310 | 250 |

| Spread | Jan-18 | Feb-18 | Mar-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 18-Jan | -3 | | | |
| 18-Feb | | 25 | | |
| 18-Mar | | | 11 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 22.Dec.17 | 22.Dec.17 | 22.Dec.17 | 18.Dec.17 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 5953 | 0 | 5953 | 5953 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 23.12.2017

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 23-Dec-17 | 22-Dec-17 | |
| Delhi | Lawrence Road | Mill Delivery | 1775 | 1775 | Unch |
| | Narella | Mill Quality Loose | 1700 | 1720 | -20 |
| | Nazafgarh | Mill Quality Loose | 1670 | 1670 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1660 | 1665 | -5 |
| | Ahmedabad | Mill Delivery | 1770 | 1775 | -5 |
| | Surat | Mill Delivery | 1810 | 1810 | Unch |
| | Dhrol | Mill Quality Loose | 1770 | 1760 | 10 |
| M.P. | Indore | Mill Delivery | 1650 | 1650 | Unch |
| | Bhopal | Mill Quality Loose | 1650 | 1600 | 50 |
| Rajasthan | Kota | Mill Quality Loose | 1560 | 1560 | Unch |
| | | Mill Delivery | 1650 | 1650 | Unch |
| U.P. | Kanpur | Mill Delivery | 1635 | 1635 | Unch |
| | Mathura | Mill Quality Loose | Closed | 1590 | - |
| | Kosi | Mill Quality Loose | 1645 | 1645 | Unch |
| | Hathras | Mill Quality Loose | 1600 | 1625 | -25 |
| | Aligarh | Mill Quality Loose | 1590 | 1590 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1750 | 1730 | 20 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1715 | 1715 | Unch |
| | Hodal | Mill Delivery | 1795 | 1795 | Unch |

| | | | | | |
|-------------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 1725 | 1730 | -5 |
| | 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 |
|------------------|--------|-------------|-----------------|-----------|--------|
| | | | 23-Dec-17 | 22-Dec-17 | |
| Gujarat | Rajkot | Lokwan | 1850 | 1900 | -50 |
| M.P. | Indore | Lokwan | 2100 | 2100 | Unch |
| | Bhopal | Lokwan | 1750 | 1715 | 35 |
| | Bina | Sarbati 306 | 2400 | 2400 | Unch |
| Rajasthan | Kota | LokwanBilty | 1750 | 1750 | Unch |
| | Baran | Lokwan | NR | 1650 | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 23-Dec-17 | 22-Dec-17 | |
| Delhi | Lawrence Road | Mill Delivery | 5500 | 7000 | -1500 |
| | Narella | Mill Quality Loose | 700 | 500 | 200 |
| | Nazafgarh | Mill Quality Loose | 100 | 100 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 900 | 500 | 400 |
| | Dhrol | Mill Quality Loose | 10 | 22 | -12 |
| M.P. | Indore | Mill Quality Loose | 2000 | 2000 | Unch |
| Rajasthan | Kota | Mill Quality | 4000 | 4000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 500 | 600 | -100 |
| | Mathura | Mill Quality Loose | Closed | 200 | - |
| | Kosi | Mill Quality Loose | 400 | 500 | -100 |
| | Hathras | Mill Quality Loose | 250 | 60 | 190 |
| | Aligarh | Mill Quality Loose | 200 | 200 | Unch |
| Punjab | Khanna | Mill Quality Loose | 300 | 300 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 100 | 100 |
| | 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 | 23-Dec-17 | 22-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:22.12.2017 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Mar | 426.75 | 429.00 | 424.25 | 424.75 | -2.25 |
| 18-May | 439.00 | 441.00 | 436.75 | 437.50 | -1.50 |
| 18-Jul | 452.00 | 453.50 | 448.75 | 450.00 | -1.75 |
| 18-Sep | 464.50 | 465.50 | 460.50 | 461.25 | -2.50 |
| 18-Dec | 480.50 | 481.75 | 475.00 | 476.50 | -3.00 |
| 19-Mar | 493.00 | 493.25 | 487.00 | 488.00 | -3.25 |

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