

Wheat Domestic Fundamentals:

As per trade sources, import quotes for wheat from various origins to Tuticorin port witnessed steady to weak tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2025 per quintal, ASW at Rs 1925 per quintal and Ukrainian wheat at Rs 1745 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

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 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:26.12.2017 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	2	1693	1706	1693	1699	770	-2,560	7210	-60
18-Feb	11	1728	1736	1726	1733	370	-540	860	70
18-Mar	-3	1744	1744	1730	1730	20	-330	330	20

Spread	Jan-18	Feb-18	Mar-18	
Spot Narela				
18-Jan	-11			
18-Feb		34		
18-Mar			-3	

Stocks	Demat	In- Process	Total	FED
	23.Dec.17	23.Dec.17	23.Dec.17	23.Dec.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5953	0	5953	5953
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 26.12.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Dec-17	23-Dec-17	
Delhi	Lawrence Road	Mill Delivery	1785	1775	10
	Narella	Mill Quality Loose	1710	1700	10
	Nazafgarh	Mill Quality Loose	1695	1670	25
Gujarat	Rajkot	Mill Delivery	1660	1660	Unch
	Ahmedabad	Mill Delivery	1780	1770	10
	Surat	Mill Delivery	1820	1810	10
	Dhrol	Mill Quality Loose	1845	1770	75
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1570	1560	10
		Mill Delivery	1670	1650	20
U.P.	Kanpur	Mill Delivery	1635	1635	Unch
	Mathura	Mill Quality Loose	NR	Closed	-
	Kosi	Mill Quality Loose	NR	1645	-
	Hathras	Mill Quality Loose	1610	1600	10
	Aligarh	Mill Quality Loose	1580	1590	-10
Punjab	Khanna	Mill Quality Loose	1720	1750	-30
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1720	1715	5
	Hodal	Mill Delivery	1795	1795	Unch

	Bhiwani	Mill Quality Loose	1730	1725	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	1615	1610	5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Dec-17	23-Dec-17	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1725	1750	-25
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1650	NR	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Dec-17	23-Dec-17	
Delhi	Lawrence Road	Mill Delivery	9000	5500	3500
	Narella	Mill Quality Loose	600	700	-100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	700	900	-200
	Dhrol	Mill Quality Loose	51	10	41
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	NR	Closed	-
	Kosi	Mill Quality Loose	NR	400	-
	Hathras	Mill Quality Loose	250	250	Unch
	Aligarh	Mill Quality Loose	300	200	100
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	300	200	100

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

Wheat Products Delhi	26-Dec-17	23-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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