

Wheat Domestic Fundamentals:

All India weekly average prices increased by 3.61 percent to Rs. 1895.62 per quintal during the week ended 31st December 2017. Wheat average price were ruling at Rs 1829.62 per quintal during 16-23 December 2017. As compared to prices in the week 24-31 December 2016, the prices are weak by 4.77 percent. Prices are expected to remain steady to weak in coming days.

As per latest update, Government of India has extended relaxation on fumigation of agriculture commodities using methyl bromide until 30th June 2018. Earlier government has provided an extension until 31st December 2017. Trade sources indicate that increase in import duty has curbed imports but it hasn't put a complete stop on imports.

Wheat prices are under pressure due to ample availability in the market created by good domestic production and higher imports. This year progressive sowing is at lower side compared to last year and Madhya Pradesh has reported the highest dip due to lower availability of water. Wheat farmers in Madhya Pradesh have shifted to Chana, as it requires less irrigation.

According to latest update, area sown until 28th December'17 is 273.85 lakh hectares compared to 290.74 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, Haryana 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 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.

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.

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:

As per latest update, china has sold 216589 tonnes of wheat for average price of 2510 yuan (\$323.23) per tonne at an auction of state reserves on Tuesday. The quantity sold represents around 10.88 percent of 1990314 tonnes wheat available at auction.

GASC has purchased 180000 tonnes of Russian wheat through tender. GTCS offered 60000 tonnes of Russian wheat at FoB \$192.35 per tonne, Daewoo offered 60000 tonnes of Russian wheat at FoB \$192.80 per tonne and GTCS offered 60000 tonnes of Russian wheat at FoB \$194.90 per tonne.

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 \$181-186/tonne.

Egypt is likely to plant 3.25 million acres of wheat in the season. Furthermore it has planned to import around 7 million tonnes of wheat from overseas in the fiscal year that has started in July. Egypt has bought 295000 tonnes of wheat in its last tender.

As per latest update, china has sold 153693 tonnes of wheat for average price of 2500 yuan (\$381.69) per tonne at an auction of state reserves on Tuesday. The quantity sold represents around 7.76 percent of wheat available at auction.

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

Wheat Futures Contract: NCDEX Price							Date:02.01.2018 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	1653	1663	1653	1660	640	-1,580	6100	-200
18-Feb	+1	1684	1693	1683	1686	460	-1,620	2410	+270
18-Mar	+12	1691	1702	1693	1700	120	+50	550	+90

Spread	Jan-18	Feb-18	Mar-18	
Spot Narela				
18-Jan	-35			
18-Feb		26		
18-Mar			14	

Stocks	Demat	In- Process	Total	FED
	30.Dec.17	30.Dec.17	30.Dec.17	23.Dec.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota				5953
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 02.1.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Jan-18	30-Dec-17	
Delhi	Lawrence Road	Mill Delivery	1805	1790	15
	Narella	Mill Quality Loose	1695	1690	5
	Nazafgarh	Mill Quality Loose	1715	1700	15
Gujarat	Rajkot	Mill Delivery	1660	1660	Unch
	Ahmedabad	Mill Delivery	1830	1790	40
	Surat	Mill Delivery	1850	1825	25
	Dhrol	Mill Quality Loose	NR	1805	-
M.P.	Indore	Mill Delivery	1630	1650	-20
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1575	1575	Unch
		Mill Delivery	1675	1675	Unch
U.P.	Kanpur	Mill Delivery	1640	1640	Unch
	Mathura	Mill Quality Loose	Closed	1630	-
	Kosi	Mill Quality Loose	1625	1620	5
	Hathras	Mill Quality Loose	1610	1610	Unch
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1740	1740	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	1795	1795	Unch

	Bhiwani	Mill Quality Loose	1760	1750	10
	Karnal	Mill Delivery	1710	1710	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	1600	1625	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Jan-18	30-Dec-17	
Gujarat	Rajkot	Lokwan	1850	1800	50
M.P.	Indore	Lokwan	1950	2100	-150
	Bhopal	Lokwan	1750	1775	-25
	Bina	Sarbati 306	2500	NR	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Jan-18	30-Dec-17	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	300	700	-400
	Nazafgarh	Mill Quality Loose	100	200	-100
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	NR	23	-
M.P.	Indore	Mill Quality Loose	4000	4000	Unch
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	300	500	-200
	Mathura	Mill Quality Loose	Closed	600	-
	Kosi	Mill Quality Loose	400	450	-50
	Hathras	Mill Quality Loose	60	60	Unch
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	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	2-Jan-18	30-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:30.12.2017					
Contract Month	Open	High	Low	Close	Change
18-Mar	426.25	428.00	424.00	427.00	-0.75
18-May	438.75	441.00	436.75	440.25	-0.50
18-Jul	453.00	454.50	450.50	453.25	-1.00
18-Sep	466.00	467.00	463.25	465.75	-1.00
18-Dec	482.50	483.25	479.50	482.00	-1.00
19-Mar	493.50	493.50	492.25	493.25	-1.25

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