

**Wheat Domestic Fundamentals:**

**FCI will offer a total quantity 1037200 tonnes of wheat in different states through e-auction on 04th January at a reserve price of Rs 1790 per quintal.** Of the total quantity in OMSS, highest quantity of 373000 tonnes in Maharashtra followed by 269200 tonnes in Haryana, 113300 tonnes in M.P, 92650 tonnes in Punjab, 60000 tonnes in West Bengal, 26000 tonnes in Tamil Nadu, 20000 tonnes in Rajasthan, 16000 tonnes in Delhi, 15000 tonnes in Uttar Pradesh, 13500 tonnes in Karnataka, 12350 tonnes in Kerala, 6500 tonnes in Andhra Pradesh, 4400 tonnes in J&K, 3200 tonnes in Uttarakhand, 3000 tonnes in Assam, 2000 tonnes in Bihar, 2000 tonnes in Pondicherry, 1500 tonnes in Himachal Pradesh, 1000 tonnes in Goa, 1000 tonnes in Gujarat, 1000 tonnes in Jharkhand and 600 tonnes in Chandigarh.

**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 28<sup>th</sup> 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.

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

Wheat Futures Contract: NCDEX Price							Date:03.01.2018 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	0	1651	1659	1651	1655	540	-100	5900	-200
18-Feb	-2	1682	1688	1682	1686	420	-40	2630	220
18-Mar	6	1704	1707	1703	1706	60	-60	570	20

Spread	Jan-18	Feb-18	Mar-18	
Spot Narela				
18-Jan	-40			
18-Feb		31		
18-Mar			20	

Stocks	Demat	In- Process	Total	FED
	2.Jan.18	2.Jan.18	2.Jan.18	1.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5923	30	5953	5953
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 03.1.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Jan-18	2-Jan-18	
Delhi	Lawrence Road	Mill Delivery	1815	1805	10
	Narella	Mill Quality Loose	Closed	1695	-
	Nazafgarh	Mill Quality Loose	Closed	1715	-
Gujarat	Rajkot	Mill Delivery	1660	1660	Unch
	Ahmedabad	Mill Delivery	1830	1830	Unch
	Surat	Mill Delivery	1850	1850	Unch
	Dhrol	Mill Quality Loose	1850	1805	45
M.P.	Indore	Mill Delivery	1675	1630	45
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1590	1575	15
		Mill Delivery	1680	1675	5
U.P.	Kanpur	Mill Delivery	1640	1640	Unch
	Mathura	Mill Quality Loose	1630	Closed	-
	Kosi	Mill Quality Loose	1625	1625	Unch
	Hathras	Mill Quality Loose	NR	1610	-
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	1750	1740	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1725	5
	Hodal	Mill Delivery	1795	1795	Unch

	Bhiwani	Mill Quality Loose	1750	1760	<b>-10</b>
	Karnal	Mill Delivery	1710	1710	<b>Unch</b>
	Panipat	Mill Quality Loose	1625	1625	<b>Unch</b>
<b>Tamil Nadu</b>	Chennai	Mill Quality	2060	2050	<b>10</b>
	Madurai	Mill Quality	2117	2107	<b>10</b>
	Coimbatore	Mill Quality	2117	2107	<b>10</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1700	1700	<b>Unch</b>
	Muzaffarpur	Mill Delivery	1600	1600	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Jan-18	2-Jan-18	
<b>Gujarat</b>	Rajkot	Lokwan	1850	1850	<b>Unch</b>
<b>M.P.</b>	Indore	Lokwan	1900	1950	<b>-50</b>
	Bhopal	Lokwan	1750	1750	<b>Unch</b>
	Bina	Sarbati 306	Closed	2500	-
<b>Rajasthan</b>	Kota	LokwanBilty	1725	1750	<b>-25</b>
	Baran	Lokwan	1650	1650	<b>Unch</b>

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-Jan-18	2-Jan-18	
<b>Delhi</b>	Lawrence Road	Mill Delivery	7500	6000	<b>1500</b>
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	700	700	<b>Unch</b>
	Dhrol	Mill Quality Loose	16	39	<b>-23</b>
<b>M.P.</b>	Indore	Mill Quality Loose	3000	4000	<b>-1000</b>
<b>Rajasthan</b>	Kota	Mill Quality	2500	3000	<b>-500</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	300	300	<b>Unch</b>
	Mathura	Mill Quality Loose	400	Closed	-
	Kosi	Mill Quality Loose	250	400	<b>-150</b>
	Hathras	Mill Quality Loose	NR	60	-
	Aligarh	Mill Quality Loose	Closed	300	-
<b>Punjab</b>	Khanna	Mill Quality Loose	500	300	<b>200</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	<b>Unch</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	100	200	<b>-100</b>



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

Wheat Products Delhi	3-Jan-18	2-Jan-18	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:2.1.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	428.25	436.25	428.25	433.50	6.50
18-May	441.50	448.50	441.50	446.25	6.00
18-Jul	454.75	461.25	454.75	459.75	6.50
18-Sep	469.00	473.50	467.50	472.50	6.75
18-Dec	485.00	489.75	483.50	489.00	7.00
19-Mar	497.00	500.50	497.00	500.50	7.25

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