

Wheat Domestic Fundamentals:

As per Agriwatch preliminary estimate production is likely to be around 91.4 MMT compared to 93.5 MMT last year. Production is likely to fall due to lower acreage this 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.

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 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.

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:04.01.2018 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	1	1655	1660	1643	1657	630	90	5550	-350
18-Feb	3	1686	1691	1680	1690	510	90	2720	90
18-Mar	6	1698	1711	1698	1711	230	170	680	110

Spread	Jan-18	Feb-18	Mar-18	
Spot Narela				
18-Jan	-33			
18-Feb		33		
18-Mar			21	

Stocks	Demat	In- Process	Total	FED
	3.Jan.18	3.Jan.18	3.Jan.18	1.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5923	30	5953	5953
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 4.1.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Jan-18	3-Jan-18	
Delhi	Lawrence Road	Mill Delivery	1820	1815	5
	Narella	Mill Quality Loose	1690	Closed	-
	Nazafgarh	Mill Quality Loose	1715	Closed	-
Gujarat	Rajkot	Mill Delivery	1670	1660	10
	Ahmedabad	Mill Delivery	1850	1830	20
	Surat	Mill Delivery	1880	1850	30
	Dhrol	Mill Quality Loose	1730	1850	-120
M.P.	Indore	Mill Delivery	1675	1675	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1590	1590	Unch
		Mill Delivery	1680	1680	Unch
U.P.	Kanpur	Mill Delivery	1650	1640	10
	Mathura	Mill Quality Loose	1640	1630	10
	Kosi	Mill Quality Loose	1645	1625	20
	Hathras	Mill Quality Loose	1620	NR	-
	Aligarh	Mill Quality Loose	1590	Closed	-
Punjab	Khanna	Mill Quality Loose	1750	1750	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1730	Unch
	Hodal	Mill Delivery	1795	1795	Unch

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

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Jan-18	3-Jan-18	
Delhi	Lawrence Road	Mill Delivery	9000	7500	1500
	Narella	Mill Quality Loose	500	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	700	-100
	Dhrol	Mill Quality Loose	16	16	Unch
M.P.	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	500	300	200
	Mathura	Mill Quality Loose	250	400	-150
	Kosi	Mill Quality Loose	500	250	250
	Hathras	Mill Quality Loose	85	NR	-
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	500	500	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	150	100	50



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

Wheat Products Delhi	4-Jan-18	3-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:3.1.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	435.25	437.00	432.00	436.00	2.50
18-May	447.25	449.25	444.50	448.25	2.00
18-Jul	460.75	462.00	457.25	460.75	1.00
18-Sep	473.25	474.50	470.00	473.50	1.00
18-Dec	490.00	490.75	486.50	490.25	1.25
19-Mar	500.50	502.00	497.75	501.75	1.25

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