

Wheat Domestic Fundamentals:

According to latest update, area sown until 05th January'18 is 283.46 lakh hectares compared to 297.67 lakh hectares in the previous Rabi season. The normal area is 304.43 lakh hectares. Progressive area was reported lower in Maharashtra, Uttar Pradesh and Madhya Pradesh compared to last year for same date.

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.

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:

Algeria state grains agency OAIC has bought around 390000 tonnes of milling wheat in a tender that closed on Thursday. The prices paid were in the range of \$209.25 - \$213.00 per tonne (Cost and Freight). The quantity to be shipped is due in February. Major part of the quantity is likely to be sourced from France and Argentina.

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.

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

Wheat Futures Contract: NCDEX Price							Date:05.01.2018 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	-3	1654	1658	1653	1656	1430	800	4860	-690
18-Feb	-2	1693	1693	1684	1688	1370	860	3770	1,050
18-Mar	-1	1708	1713	1708	1708	100	-130	690	10

Spread	Jan-18	Feb-18	Mar-18	
Spot Narela				
18-Jan	-84			
18-Feb		32		
18-Mar			20	

Stocks	Demat	In- Process	Total	FED
	4.Jan.18	4.Jan.18	4.Jan.18	1.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5633	30	5663	5953
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 05.01.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jan-18	4-Jan-18	
Delhi	Lawrence Road	Mill Delivery	1815	1820	-5
	Narella	Mill Quality Loose	1740	1690	50
	Nazafgarh	Mill Quality Loose	1730	1715	15
Gujarat	Rajkot	Mill Delivery	1660	1670	-10
	Ahmedabad	Mill Delivery	1800	1850	-50
	Surat	Mill Delivery	1830	1880	-50
	Dhrol	Mill Quality Loose	1795	1730	65
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	1650	Unch
	Mathura	Mill Quality Loose	1640	1640	Unch
	Kosi	Mill Quality Loose	1650	1645	5
	Hathras	Mill Quality Loose	NR	1620	-
	Aligarh	Mill Quality Loose	1625	1590	35
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	1740	1750	-10
	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	1730	1700	30
	Muzaffarpur	Mill Delivery	1625	1600	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Jan-18	4-Jan-18	
Delhi	Lawrence Road	Mill Delivery	10000	9000	1000
	Narella	Mill Quality Loose	300	500	-200
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	700	600	100
	Dhrol	Mill Quality Loose	39	16	23
M.P.	Indore	Mill Quality Loose	1500	3000	-1500
Rajasthan	Kota	Mill Quality	1500	2500	-1000
U.P.	Kanpur	Mill Quality Loose	200	500	-300
	Mathura	Mill Quality Loose	100	250	-150
	Kosi	Mill Quality Loose	300	500	-200
	Hathras	Mill Quality Loose	NR	85	-
	Aligarh	Mill Quality Loose	250	300	-50
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(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	400	150	250

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

Wheat Products Delhi	5-Jan-18	4-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:4.1.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	435.75	436.00	431.00	434.00	-2.00
18-May	448.00	448.25	443.50	446.50	-1.75
18-Jul	460.50	460.75	456.50	459.25	-1.50
18-Sep	473.00	474.25	469.50	472.75	-0.75
18-Dec	489.00	491.25	486.25	490.00	-0.25
19-Mar	502.50	503.00	501.75	501.75	Unch

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