

Wheat Domestic Fundamentals:

According to latest update, area sown until 12th January'18 is 295.53 lakh hectares compared to 309.99 lakh hectares in the previous Rabi season. The normal area is 301.74 lakh hectares. Progressive area was reported lower in Maharashtra, Uttar Pradesh, Rajasthan and Madhya Pradesh compared to last year for same date.

All India weekly average prices increased by 9.14 percent to Rs. 2068.91 per quintal during the week ended 08th January 2018. Wheat average price were ruling at Rs 1895.62 per quintal during 24-31 December 2017. As compared to prices in the week 01-08 January 2017, the prices are firm by 3.85 percent. Prices are expected to remain steady to firm in coming days.

FCI will offer a total quantity 982850 tonnes of wheat in different states through e-auction on 11th January at a reserve price of Rs 1790 per quintal.

As per trade sources, import quotes for wheat from various origins to Tuticorin port witnessed steady to firm tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2125 per quintal, ASW at Rs 1985 per quintal and Ukrainian wheat at Rs 1800 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

As per latest update, India has imported around 497.04 thousand tonnes of wheat, highest since April'17. India has imported a total of 1151.97 thousand tonnes of wheat since April'17. Imports are likely to fall in upcoming months as government has increased import duty from 10 percent to 20 percent. India has exported 5957.79 thousand tonnes of wheat in 2016-17 due to two consecutive bad crops.

The demand for Indian wheat in the international market is low. Export window remains restricted due to huge disparity. Other countries like Australia, Russia and Ukraine are able to provide wheat at lower quotes compared to India. In the month of October, India exported 36.87 thousand tonnes of wheat compared to 14.52 in the previous month. India has exported 165.16 thousand tonnes of wheat since April'17 until October'17.

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.

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, Russia has exported around 28.8 MMT of wheat in first eleven month of 2017 compared to 22.9 MMT during the same period in 2016. Of the total quantity exported in 2017, around 27.4 MMT was exported to Non-CIS countries and the rest to CIS countries.

As per latest update, Japan's ministry of agriculture bought 91087 MMT of food quality wheat from United States and Canada. Around 56981 MMT has been bought from United States and 34106 MMT with minimum protein content of 13.5 percent has been bought from Canada. All the shipments are to be loaded between February 21 and March 20.

Russian milling wheat prices have become firm by \$1-2 per tonne compared to last week. Unfavourable weather conditions in western hemisphere has strengthened price. Demand for Russian wheat is good. Russia has produced around 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 \$191-193/tonne whereas milling wheat whereas wheat with 12.5% protein content at Azov sea is being quoted at FoB \$155-160/tonne.

GASC has purchased 115000 tonnes of Russian wheat through tender. AOS offered 55000 tonnes of Russian wheat at FoB \$192.00 per tonne and 60000 tonnes of Russian wheat at FoB \$193.30 per tonne.

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

| Wheat Futures Contract: NCDEX Price | | | | | | | Date: 12.01.2018 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-Feb | +4 | 1711 | 1728 | 1711 | 1716 | 1170 | -1,520 | 5190 | 90 |
| 18-Mar | +3 | 1730 | 1740 | 1725 | 1727 | 300 | -80 | 1110 | 110 |
| 18-Apr | 0 | 1681 | 1681 | 1681 | 1681 | 0 | 0 | 0 | 0 |

| Spread | Feb-18 | Mar-18 | Apr-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 18-Feb | -19 | | | |
| 18-Mar | | 11 | | |
| 18-Apr | | | -46 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|----------|
| | 11.Jan.18 | 11.Jan.18 | 11.Jan.18 | 8.Jan.18 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 5573 | 30 | 5603 | 5603 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 12.01.2018

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 12-Jan-18 | 11-Jan-18 | |
| Delhi | Lawrence Road | Mill Delivery | 1815 | 1815 | Unch |
| | Narella | Mill Quality Loose | 1735 | 1725 | 10 |
| | Nazafgarh | Mill Quality Loose | 1725 | 1715 | 10 |
| Gujarat | Rajkot | Mill Delivery | 1690 | 1680 | 10 |
| | Ahmedabad | Mill Delivery | 1850 | 1850 | Unch |
| | Surat | Mill Delivery | 1880 | 1880 | Unch |
| | Dhrol | Mill Quality Loose | 1855 | 1820 | 35 |
| M.P. | Indore | Mill Delivery | 1675 | 1675 | Unch |
| | Bhopal | Mill Quality Loose | 1680 | 1680 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1590 | 1590 | Unch |
| | | Mill Delivery | 1680 | 1680 | Unch |
| U.P. | Kanpur | Mill Delivery | 1645 | 1640 | 5 |
| | Mathura | Mill Quality Loose | 1635 | 1610 | 25 |
| | Kosi | Mill Quality Loose | 1650 | 1650 | Unch |
| | Hathras | Mill Quality Loose | NR | NR | - |
| | Aligarh | Mill Quality Loose | 1625 | 1610 | 15 |
| Punjab | Khanna | Mill Quality Loose | 1730 | 1720 | 10 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1730 | 1730 | Unch |
| | Hodal | Mill Delivery | 1770 | 1770 | Unch |

| | | | | | |
|-------------------|-------------------------------|--------------------|------|------|-------------|
| | Bhiwani | Mill Quality Loose | 1760 | 1780 | -20 |
| | 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 | 1625 | 1625 | Unch |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|-------------|-----------------|-----------|-------------|
| | | | 12-Jan-18 | 11-Jan-18 | |
| Gujarat | Rajkot | Lokwan | 1900 | 1900 | Unch |
| M.P. | Indore | Lokwan | 2000 | 2000 | Unch |
| | Bhopal | Lokwan | 1850 | 1850 | Unch |
| | Bina | Sarbati 306 | 2500 | 2500 | Unch |
| Rajasthan | Kota | LokwanBilty | 1725 | 1725 | Unch |
| | Baran | Lokwan | 1670 | 1670 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------|-------------|
| | | | 12-Jan-18 | 11-Jan-18 | |
| Delhi | Lawrence Road | Mill Delivery | 7000 | 6000 | 1000 |
| | Narella | Mill Quality Loose | 500 | 700 | -200 |
| | Nazafgarh | Mill Quality Loose | 200 | 150 | 50 |
| Gujarat | Rajkot | Mill Quality Loose | 500 | 600 | -100 |
| | Dhrol | Mill Quality Loose | 11 | 18 | -7 |
| M.P. | Indore | Mill Quality Loose | 4000 | 4000 | Unch |
| Rajasthan | Kota | Mill Quality | 800 | 800 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 400 | 300 | 100 |
| | Mathura | Mill Quality Loose | 700 | 250 | 450 |
| | Kosi | Mill Quality Loose | 200 | 200 | Unch |
| | Hathras | Mill Quality Loose | NR | NR | - |
| | Aligarh | Mill Quality Loose | 100 | 200 | -100 |
| Punjab | Khanna | Mill Quality Loose | 300 | 400 | -100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 100 | 100 | Unch |
| | Hodal | Mill Quality Loose | 50 | 50 | Unch |
| | Bhiwani | Mill Quality Loose | 200 | 300 | -100 |

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

| Wheat Products Delhi | 12-Jan-18 | 11-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:11.1.2018 | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Mar | 434.25 | 434.50 | 428.50 | 433.25 | -1.00 |
| 18-May | 447.50 | 448.25 | 442.50 | 446.75 | -1.00 |
| 18-Jul | 460.50 | 460.75 | 455.75 | 458.75 | -1.75 |
| 18-Sep | 473.75 | 474.00 | 469.50 | 471.75 | -2.50 |
| 18-Dec | 492.50 | 492.50 | 487.50 | 489.50 | -3.00 |
| 19-Mar | 504.75 | 504.75 | 500.00 | 502.25 | -2.75 |

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