

Wheat Domestic Fundamentals:

Drought in parts of Madhya Pradesh has led to a shift in area from wheat to more lucrative crop like Chana. Shift in acreage in Madhya Pradesh was mainly due to lower water levels in major reservoirs and Chana requires less water compared to wheat. Furthermore, any aberration in weather can adversely affect wheat crop of the state.

FCI has offered a total of 32160752 tonnes of wheat through E-Auction since June until second tender in January. Total sales until fourth tender in December were 749200 tonnes. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports.

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.

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 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.

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.

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	-9			
18-Mar		11		
18-Apr			-46	

Stocks	Demat	In- Process	Total	FED
	12.Jan.18	12.Jan.18	12.Jan.18	8.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5503	0	5503	5603
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 13.1.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jan-18	12-Jan-18	
Delhi	Lawrence Road	Mill Delivery	1810	1815	-5
	Narela	Mill Quality Loose	1725	1735	-10
	Nazafgarh	Mill Quality Loose	1720	1725	-5
Gujarat	Rajkot	Mill Delivery	1700	1690	10
	Ahmedabad	Mill Delivery	1850	1850	Unch
	Surat	Mill Delivery	1880	1880	Unch
	Dhrol	Mill Quality Loose	NR	1855	-
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	1645	Unch
	Mathura	Mill Quality Loose	1625	1635	-10
	Kosi	Mill Quality Loose	1625	1650	-25
	Hathras	Mill Quality Loose	1660	NR	-
	Aligarh	Mill Quality Loose	1610	1625	-15
Punjab	Khanna	Mill Quality Loose	Closed	1730	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1730	Unch
	Hodal	Mill Delivery	Closed	1770	-

	Bhiwani	Mill Quality Loose	1770	1760	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	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
			13-Jan-18	12-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	1650	1670	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jan-18	12-Jan-18	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	300	500	-200
	Nazafgarh	Mill Quality Loose	50	200	-150
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	NR	11	-
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	1000	800	200
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	300	700	-400
	Kosi	Mill Quality Loose	500	200	300
	Hathras	Mill Quality Loose	80	NR	-
	Aligarh	Mill Quality Loose	300	100	200
Punjab	Khanna	Mill Quality Loose	Closed	300	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	Closed	50	-
	Bhiwani	Mill Quality Loose	600	200	400

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

Wheat Products Delhi	13-Jan-18	12-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:12.1.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	433.25	436.00	418.75	420.50	-12.75
18-May	446.75	448.75	432.25	434.25	-12.50
18-Jul	458.75	460.75	445.00	446.50	-12.25
18-Sep	472.00	473.75	459.25	460.50	-11.25
18-Dec	489.75	491.75	478.00	479.25	-10.25
19-Mar	502.50	503.75	492.00	492.50	-9.75

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