

**Wheat Domestic Fundamentals:**

**FCI will offer a total quantity 1117800 tonnes of wheat in different states through e-auction on 25th 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 weak tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2065-2085 per quintal, ASW at Rs 1940-1960 per quintal and Ukrainian wheat at Rs 1915-1935 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

**According to latest update, area sown until 19th January'18 is 298.67 lakh hectares** compared to 311.17 lakh hectares in the previous Rabi season. The normal area is 304.43 lakh hectares. Progressive area was reported lower in Maharashtra, Uttar Pradesh, Rajasthan and Madhya Pradesh compared to last year for same date.

**As per latest update, wheat stock in central pool as on 1st January'18 stood at 195.62 lakh tonnes down by 9.71% compared to last month.** This quantity is higher by around 42.30% compared to last year for the same month. For the month of December'17 off take from central pool was around 21.03 lakh tonnes compared to 27.49 lakh tonnes for December'2016 and 21.22 lakh tonnes for December'2015. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

**Wheat WPI has remained same at 139.4 in December-17.** As compared to December-2016 wheat WPI has decreased by 8.47 percent and by 5.69 percent compared to December-2015.

**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 2125-2130 per quintal, ASW at Rs 1990-2000 per quintal and Ukrainian wheat at Rs 1880-1890 per quintal. Domestic prices are expected to trade steady to firm in near future.

**All India weekly average prices decreased by 6.82 percent to Rs. 1927.87 per quintal during the week ended 15th January 2018.** Wheat average price were ruling at Rs 2068.91 per quintal during 01-08 January 2018. As compared to prices in the week 09-15 January 2017, the prices are weak by 8.28 percent. Prices are expected to remain steady to firm in coming days.

**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 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:**

**IGC has increased its forecast for wheat to 757 MMT as on 18th January-2018 for 2017-18.** According to estimate by IGC for 2016-17, global wheat production was around 755 MMT against 737 MMT for 2015-16. The difference is around 18 MMT from previous estimate. Higher projection for wheat may pressurize global wheat market at current level. Trade forecast have been kept unchanged at 174 MMT. Consumption has been increased by 2 MMT to 744 MMT for 2017-18. Carryout has been increased by 5 MMT to 254 MMT for 2017-18.

**As per latest update, Japan's ministry of agriculture bought 91733 MMT of food quality wheat** from United States, Canada and Australia. Around 24160 MMT has been bought from United States, 37383 MMT with minimum protein content of 13.5 percent has been bought from Canada and 30190 tonnes of standard white wheat from west Australia. Shipments from United States and Canada will be loaded between February 21 and March 20 whereas shipment from Australia will be loaded between March 01 and March 31.

**Russian milling wheat prices have become firm by \$1 per tonne compared to last week.** Strengthening of rouble accompanied with unfavorable weather conditions in western hemisphere and difficulty in transportation 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 \$192-194/tonne whereas milling wheat whereas wheat with 12.5% protein content at Azov sea is being quoted at FoB \$158-166/tonne.

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

| Wheat Futures Contact: NCDEX Price |                       |      |      |      |       |        | Date: 23.01.2018 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                             | -12                   | 1681 | 1686 | 1676 | 1677  | 970    | 590                         | 5290 | -120                  |
| 18-Mar                             | -11                   | 1706 | 1706 | 1701 | 1701  | 250    | 200                         | 1580 | -40                   |
| 18-Apr                             | 0                     | 1695 | 1695 | 1695 | 1695  | 0      | 0                           | 0    | 0                     |

| Spread      | Feb-18 | Mar-18 | Apr-18 |  |
|-------------|--------|--------|--------|--|
| Spot Narela |        |        |        |  |
| 18-Feb      | -23    |        |        |  |
| 18-Mar      |        | 24     |        |  |
| 18-Apr      |        |        | -6     |  |

| Stocks | Demat     | In- Process | Total     | FED       |
|--------|-----------|-------------|-----------|-----------|
|        | 22.Jan.18 | 22.Jan.18   | 22.Jan.18 | 22.Jan.18 |
| Delhi  | -         | -           | -         | -         |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | 5074      | 0           | 5074      | 5074      |
| Rajkot | -         | -           | -         | -         |

**Wheat Daily Prices and Arrivals on 23.01.2018**

| Centre    | Market             | Variety             | Prices (Rs/Qtl) |           | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
|           |                    |                     | 23-Jan-18       | 22-Jan-18 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1795            | 1810      | -15    |
|           | Narella            | Mill Quality Loose  | 1700            | 1715      | -15    |
|           | Nazafgarh          | Mill Quality Loose  | NA              | 1720      | -      |
| Gujarat   | Rajkot             | Mill Delivery       | 1675            | 1700      | -25    |
|           | Ahmedabad          | Mill Delivery       | 1850            | 1850      | Unch   |
|           | Surat              | Mill Delivery       | 1870            | 1880      | -10    |
|           | Dhrol              | Mill Quality Loose  | 1825            | 1815      | 10     |
| M.P.      | Indore             | Mill Delivery       | 1690            | 1690      | Unch   |
|           | Bhopal             | Mill Quality Loose  | 1650            | 1650      | Unch   |
| Rajasthan | Kota               | Mill Quality Loose  | 1600            | Closed    | -      |
|           |                    | Mill Delivery       | 1705            | Closed    | -      |
| U.P.      | Kanpur             | Mill Delivery       | 1725            | 1725      | Unch   |
|           | Mathura            | Mill Quality Loose  | NA              | 1630      | -      |
|           | Kosi               | Mill Quality Loose  | 1600            | 1610      | -10    |
|           | Hathras            | Mill Quality Loose  | NA              | NA        | -      |
|           | Aligarh            | Mill Quality Loose  | NA              | Closed    | -      |
| Punjab    | Khanna             | Mill Quality Loose  | NA              | 1735      | -      |
|           | Ludhiana (Jagraon) | Mill Delivery       | NA              | NA        | -      |
| Haryana   | Sirsa              | Mill Delivery loose | 1735            | 1730      | 5      |

|                   |                               |                    |        |        |      |
|-------------------|-------------------------------|--------------------|--------|--------|------|
|                   | Hodal                         | Mill Delivery      | 1770   | NR     | -    |
|                   | Bhiwani                       | Mill Quality Loose | 1770   | 1760   | 10   |
|                   | Karnal                        | Mill Delivery      | 1725   | 1725   | Unch |
|                   | Panipat                       | Mill Quality Loose | 1625   | 1625   | Unch |
| <b>Tamil Nadu</b> | Chennai                       | Mill Quality       | 2050   | Closed | -    |
|                   | Madurai                       | Mill Quality       | 2107   | Closed | -    |
|                   | Coimbatore                    | Mill Quality       | 2107   | Closed | -    |
| <b>Bihar</b>      | Khagariya                     | Mill Delivery      | Closed | Closed | -    |
|                   | Muzaffarpur                   | Mill Delivery      | Closed | 1700   | -    |
| <b>FOR</b>        | Kandla (Rajasthan-Rajkot)     | Mill Quality       | NA     | NA     | -    |
|                   | Gandhidham (Rajasthan-Rajkot) | Mill Quality       | NA     | NA     | -    |

| Centre           | Market | Variety     | Prices (Rs/Qtl) |           | Change |
|------------------|--------|-------------|-----------------|-----------|--------|
|                  |        |             | 23-Jan-18       | 22-Jan-18 |        |
| <b>Gujarat</b>   | Rajkot | Lokwan      | 1850            | 1850      | Unch   |
| <b>M.P.</b>      | Indore | Lokwan      | 2000            | 2000      | Unch   |
|                  | Bhopal | Lokwan      | 1735            | 1735      | Unch   |
|                  | Bina   | Sarbati 306 | NR              | NR        | -      |
| <b>Rajasthan</b> | Kota   | LokwanBilty | 1765            | Closed    | -      |
|                  | Baran  | Lokwan      | 1650            | 1650      | Unch   |

**Wheat Arrivals in Key Centers:**

| Centre           | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
|                  |                   |                    | 23-Jan-18           | 22-Jan-18 |        |
| <b>Delhi</b>     | Lawrence Road     | Mill Delivery      | 8500                | 10000     | -1500  |
|                  | Narella           | Mill Quality Loose | 700                 | 500       | 200    |
|                  | Nazafgarh         | Mill Quality Loose | NA                  | 100       | -      |
| <b>Gujarat</b>   | Rajkot            | Mill Quality Loose | 500                 | 600       | -100   |
|                  | Dhrol             | Mill Quality Loose | 51                  | 30        | 21     |
| <b>M.P.</b>      | Indore            | Mill Quality Loose | 2500                | 3000      | -500   |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 5000                | Closed    | -      |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 500                 | 650       | -150   |
|                  | Mathura           | Mill Quality Loose | NA                  | 200       | -      |
|                  | Kosi              | Mill Quality Loose | 300                 | 700       | -400   |
|                  | Hathras           | Mill Quality Loose | NA                  | NA        | -      |
|                  | Aligarh           | Mill Quality Loose | NA                  | Closed    | -      |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | NA                  | 300       | -      |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 200                 | 100       | 100    |

|  |         |                    |     |     |      |
|--|---------|--------------------|-----|-----|------|
|  | Hodal   | Mill Quality Loose | 7   | NR  | -    |
|  | Bhiwani | Mill Quality Loose | 200 | 200 | Unch |
|  | Karnal  | Mill Delivery      | NA  | NA  | -    |
|  | Panipat | Mill Quality Loose | NA  | NA  | -    |

| Wheat Products Delhi         | 23-Jan-18 | 22-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 (50kg) Superfine | 1100      | 1100      | Unch   |

| Wheat (CBOT) Future Price:22.01.2018 |        |        |        |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                       | Open   | High   | Low    | Close  | Change |
| 18-Mar                               | 424.50 | 427.50 | 423.25 | 425.75 | 3.00   |
| 18-May                               | 436.75 | 439.75 | 435.50 | 438.50 | 3.00   |
| 18-Jul                               | 450.50 | 453.00 | 449.00 | 452.00 | 3.25   |
| 18-Sep                               | 465.25 | 468.00 | 464.00 | 467.25 | 3.50   |
| 18-Dec                               | 483.75 | 487.00 | 483.00 | 486.75 | 4.00   |
| 19-Mar                               | 499.50 | 500.75 | 499.50 | 500.25 | 3.75   |

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