

Wheat Domestic Fundamentals:

As per latest update India has exported around 180 thousand tonnes of wheat during April-November 2017-18 compared to 191 thousand tonnes during the same period in 2016-17. In terms of value wheat worth USD 47 million has exported during April-November 2017-18 compared to USD 49 million during the same period in 2016-17. In 2017-18 more than 80 percent has been exported to Nepal and rest to UAE, Afghanistan, Bangladesh, etc. Export volume would not increase much as prices in domestic market still rule higher and other exporting countries are offering wheat at cheaper price with assured quality and delivery schedule.

All India weekly average prices decreased by 2.93 percent to Rs. 1871.40 per quintal during the week ended 23rd January 2018. Wheat average price were ruling at Rs 1927.87 per quintal during 09-15 January 2018. As compared to prices in the week 16-23 January 2017, the prices are weak by 9.62 percent. Prices are expected to remain steady to weak in coming days.

Rain on Tuesday in northern plains lead to drop in temperature thus benefitting standing wheat crop. Furthermore, weather office has forecasted cold wave conditions in Punjab, Haryana, West Uttar Pradesh and north Rajasthan. The rains were not heavy but well distributed and will save farmers from at least one cost of irrigation. This year overall wheat acreage is low; therefore such rains will be useful for increasing yields.

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.

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.

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International Market Update:

As per latest update, Japan's ministry of agriculture bought 84577 MMT of food quality wheat from United States and Australia. Around 60747 MMT has been bought from United States and 23830 tonnes of standard white wheat from west Australia. Shipments from United States 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 \$1-2 per tonne compared to last week. Strong export demand especially to Egypt 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 \$190-193/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$189-191/tonne.

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.

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

| Wheat Futures Contract: NCDEX Price | | | | | | | Date: 25.01.2018 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 | -6 | 1690 | 1690 | 1670 | 1671 | 500 | 70 | 5110 | -140 |
| 18-Mar | +3 | 1701 | 1707 | 1700 | 1700 | 240 | 40 | 1730 | 100 |
| 18-Apr | 0 | 1677 | 1677 | 1677 | 1677 | 0 | 0 | 0 | 0 |

| Spread | Feb-18 | Mar-18 | Apr-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 18-Feb | -19 | | | |
| 18-Mar | | 29 | | |
| 18-Apr | | | -23 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 25.Jan.18 | 25.Jan.18 | 25.Jan.18 | 22.Jan.18 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 5074 | 0 | 5074 | 5074 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 27.01.2018

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 27-Jan-18 | 25-Jan-18 | |
| Delhi | Lawrence Road | Mill Delivery | 1780 | 1790 | -10 |
| | Narella | Mill Quality Loose | 1690 | 1700 | -10 |
| | Nazafgarh | Mill Quality Loose | 1715 | 1720 | -5 |
| Gujarat | Rajkot | Mill Delivery | 1650 | Closed | - |
| | Ahmedabad | Mill Delivery | 1800 | Closed | - |
| | Surat | Mill Delivery | 1840 | Closed | - |
| | Dhrol | Mill Quality Loose | NR | 1770 | - |
| M.P. | Indore | Mill Delivery | 1690 | 1690 | Unch |
| | Bhopal | Mill Quality Loose | 1650 | 1650 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1600 | 1600 | Unch |
| | | Mill Delivery | 1700 | 1700 | Unch |
| U.P. | Kanpur | Mill Delivery | 1730 | 1730 | Unch |
| | Mathura | Mill Quality Loose | 1610 | 1610 | Unch |
| | Kosi | Mill Quality Loose | 1600 | NR | - |
| | Hathras | Mill Quality Loose | Closed | 1665 | - |
| | Aligarh | Mill Quality Loose | 1610 | 1610 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1735 | 1740 | -5 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1735 | 1730 | 5 |
| | Hodal | Mill Delivery | 1770 | 1770 | Unch |

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

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|-----------|--------|
| | | | 27-Jan-18 | 25-Jan-18 | |
| Gujarat | Rajkot | Lokwan | 1850 | Closed | - |
| M.P. | Indore | Lokwan | 2000 | 2000 | Unch |
| | Bhopal | Lokwan | 1735 | 1735 | Unch |
| | Bina | Sarbati 306 | 2400 | 2400 | Unch |
| Rajasthan | Kota | LokwanBilty | 1735 | 1735 | Unch |
| | Baran | Lokwan | 1670 | NR | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 27-Jan-18 | 25-Jan-18 | |
| Delhi | Lawrence Road | Mill Delivery | 12000 | 7000 | 5000 |
| | Narella | Mill Quality Loose | 300 | 300 | Unch |
| | Nazafgarh | Mill Quality Loose | 150 | 300 | -150 |
| Gujarat | Rajkot | Mill Quality Loose | 800 | Closed | - |
| | Dhrol | Mill Quality Loose | NR | 25 | - |
| M.P. | Indore | Mill Quality Loose | 2000 | 2000 | Unch |
| Rajasthan | Kota | Mill Quality | 3500 | 3500 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 500 | 500 | Unch |
| | Mathura | Mill Quality Loose | 250 | 300 | -50 |
| | Kosi | Mill Quality Loose | 150 | NR | - |
| | Hathras | Mill Quality Loose | Closed | 500 | - |
| | Aligarh | Mill Quality Loose | 250 | 300 | -50 |
| Punjab | Khanna | Mill Quality Loose | 300 | 500 | -200 |
| | (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 | 600 | -400 |

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

| Wheat Products Delhi | 27-Jan-18 | 25-Jan-18 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 1015 | NR | - |
| Maida Grade 1 (50KG) | 1135 | NR | - |
| Suji (50kg) | 1190 | NR | - |
| Chokar (50 kg) | 744 | NR | - |
| Chokar (34 kg) | 516 | NR | - |
| Chakki Atta (50kg) | 1025 | NR | - |
| Chakki Atta (50kg) Special | 1025 | NR | - |
| Chakki Atta (90kg) Superfine | NA | NR | - |
| Chakki Atta (50kg) Superfine | 1100 | NR | - |

| Wheat (CBOT) Future Price:26.01.2018 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Mar | 435.00 | 442.50 | 434.25 | 441.00 | 6.50 |
| 18-May | 447.50 | 455.25 | 446.75 | 453.75 | 6.50 |
| 18-Jul | 459.75 | 467.75 | 459.50 | 466.50 | 6.75 |
| 18-Sep | 472.25 | 481.50 | 472.25 | 480.25 | 6.25 |
| 18-Dec | 493.00 | 500.00 | 493.00 | 498.75 | 5.75 |
| 19-Mar | 507.00 | 514.25 | 507.00 | 513.00 | 6.00 |

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