

Wheat Domestic Fundamentals:

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 2045-2065 per quintal, ASW at Rs 1925-1945 per quintal and Ukrainian wheat at Rs 1920-1930 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

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.

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 Contact: NCDEX Price							Date: 29.01.2018 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	1673	1678	1667	1669	370	-130	5010	-100
18-Mar	-3	1700	1702	1695	1700	130	-110	1760	30
18-Apr	0	1677	1677	1677	1677	0	0	0	0

Spread	Feb-18	Mar-18	Apr-18	
Spot Narela				
18-Feb	-31			
18-Mar		31		
18-Apr			-23	

Stocks	Demat	In- Process	Total	FED
	27.Jan.18	27.Jan.18	27.Jan.18	22.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 29.01.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jan-18	27-Jan-18	
Delhi	Lawrence Road	Mill Delivery	1775	1780	-5
	Narella	Mill Quality Loose	1700	1690	10
	Nazafgarh	Mill Quality Loose	1715	1715	Unch
Gujarat	Rajkot	Mill Delivery	1640	1650	-10
	Ahmedabad	Mill Delivery	1780	1800	-20
	Surat	Mill Delivery	1820	1840	-20
	Dhrol	Mill Quality Loose	1855	NR	-
M.P.	Indore	Mill Delivery	1690	1690	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1575	1600	-25
		Mill Delivery	1660	1700	-40
U.P.	Kanpur	Mill Delivery	1750	1730	20
	Mathura	Mill Quality Loose	1600	1610	-10
	Kosi	Mill Quality Loose	1600	1600	Unch
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	1580	1610	-30
Punjab	Khanna	Mill Quality Loose	1740	1735	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1730	1735	-5
	Hodal	Mill Delivery	1760	1770	-10
	Bhiwani	Mill Quality Loose	1770	1760	10
	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	1720	1725	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jan-18	27-Jan-18	
Gujarat	Rajkot	Lokwan	1800	1850	-50
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1735	-35
	Bina	Sarbati 306	2350	2400	-50
Rajasthan	Kota	LokwanBilty	1750	1735	15
	Baran	Lokwan	NR	1670	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Jan-18	27-Jan-18	
Delhi	Lawrence Road	Mill Delivery	6500	12000	-5500
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	100	150	-50
Gujarat	Rajkot	Mill Quality Loose	700	800	-100
	Dhrol	Mill Quality Loose	23	NR	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	800	500	300
	Mathura	Mill Quality Loose	100	250	-150
	Kosi	Mill Quality Loose	200	150	50
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	250	250	Unch
Punjab	Khanna	Mill Quality Loose	400	300	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	200	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	29-Jan-18	27-Jan-18	Change
Atta (50kg) Ordinary	NR	1015	-
Maida Grade 1 (50KG)	NR	1135	-
Suji (50kg)	NR	1190	-
Chokar (50 kg)	NR	744	-
Chokar (34 kg)	NR	516	-
Chakki Atta (50kg)	NR	1025	-
Chakki Atta (50kg) Special	NR	1025	-
Chakki Atta (90kg) Superfine	NR	NA	-
Chakki Atta (50kg) Superfine	NR	1100	-

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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