

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 1.97 percent to Rs. 1834.45 per quintal during the week ended 31st January 2018. Wheat average price were ruling at Rs 1871.40 per quintal during 16-23 January 2018. As compared to prices in the week 24-31 January 2017, the prices are weak by 7.83 percent. Prices are expected to remain steady to weak in coming days.

FCI will offer a total quantity 1073700 tonnes of wheat in different states through e-auction on 01st February 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 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.

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 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:

Russian milling wheat prices have become firm by \$1-2 per tonne compared to last week. Weak U.S. dollar and 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 \$195-197/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$192-195/tonne.

As per latest update, Japan's ministry of agriculture bought 111294 MMT of food quality wheat from United States, Canada and Australia. Around 56286 MMT has been bought from United States; Around 32653 MMT has been bought from Canada and 22355 tonnes of standard white wheat from west Australia. Shipments from United States and Canada will be loaded between March 21 and April 20 whereas shipment from Australia will be loaded between April 01 and April 31.

As per latest update, china has sold 13948 tonnes of wheat for average price of 2347 yuan (\$373.22) per tonne at an auction of state reserves on Wednesday. The quantity sold represents around 1.5 percent of 928855 tonnes wheat available at auction.

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

| Wheat Futures Contract: NCDEX Price | | | | | | | Date: 01.02.2018 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 | +2 | 1661 | 1664 | 1655 | 1663 | 320 | -50 | 4780 | -160 |
| 18-Mar | -3 | 1678 | 1688 | 1678 | 1683 | 310 | -520 | 2120 | 110 |
| 18-Apr | 0 | 1674 | 1674 | 1674 | 1674 | 0 | 0 | 0 | 0 |

| Spread | Feb-18 | Mar-18 | Apr-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 18-Feb | -87 | | | |
| 18-Mar | | 20 | | |
| 18-Apr | | | -9 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 31.Jan.18 | 31.Jan.18 | 31.Jan.18 | 29.Jan.18 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 5074 | 0 | 5074 | 5074 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 01.02.2018

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 1-Feb-18 | 31-Jan-18 | |
| Delhi | Lawrence Road | Mill Delivery | 1810 | 1800 | 10 |
| | Narella | Mill Quality Loose | 1750 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 1700 | Closed | - |
| Gujarat | Rajkot | Mill Delivery | 1620 | 1625 | -5 |
| | Ahmedabad | Mill Delivery | 1780 | 1780 | Unch |
| | Surat | Mill Delivery | 1810 | 1820 | -10 |
| | Dhrol | Mill Quality Loose | 1825 | NR | - |
| M.P. | Indore | Mill Delivery | 1690 | 1690 | Unch |
| | Bhopal | Mill Quality Loose | 1600 | 1650 | -50 |
| Rajasthan | Kota | Mill Quality Loose | 1575 | 1575 | Unch |
| | | Mill Delivery | 1660 | 1660 | Unch |
| U.P. | Kanpur | Mill Delivery | 1735 | 1735 | Unch |
| | Mathura | Mill Quality Loose | 1600 | 1600 | Unch |
| | Kosi | Mill Quality Loose | 1610 | 1605 | 5 |
| | Hathras | Mill Quality Loose | 1650 | 1645 | 5 |
| | Aligarh | Mill Quality Loose | 1580 | Closed | - |
| Punjab | Khanna | Mill Quality Loose | 1740 | 1740 | Unch |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1730 | 1725 | 5 |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Hodal | Mill Delivery | 1760 | 1760 | Unch |
| | Bhiwani | Mill Quality Loose | 1750 | 1770 | -20 |
| | 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 | 1700 | 1725 | -25 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|-----------|--------|
| | | | 1-Feb-18 | 31-Jan-18 | |
| Gujarat | Rajkot | Lokwan | 1750 | 1775 | -25 |
| M.P. | Indore | Lokwan | 2000 | 2000 | Unch |
| | Bhopal | Lokwan | 1660 | 1700 | -40 |
| | Bina | Sarbati 306 | 2300 | Closed | - |
| Rajasthan | Kota | LokwanBilty | 1750 | 1750 | Unch |
| | Baran | Lokwan | 1650 | NR | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 1-Feb-18 | 31-Jan-18 | |
| Delhi | Lawrence Road | Mill Delivery | 5000 | 4000 | 1000 |
| | Narella | Mill Quality Loose | NA | Closed | - |
| | Nazafgarh | Mill Quality Loose | 70 | Closed | - |
| Gujarat | Rajkot | Mill Quality Loose | 800 | 700 | 100 |
| | Dhrol | Mill Quality Loose | 27 | NR | - |
| M.P. | Indore | Mill Quality Loose | 5000 | 5000 | Unch |
| Rajasthan | Kota | Mill Quality | 3500 | 3000 | 500 |
| U.P. | Kanpur | Mill Quality Loose | 500 | 500 | Unch |
| | Mathura | Mill Quality Loose | 1000 | 1300 | -300 |
| | Kosi | Mill Quality Loose | 500 | 300 | 200 |
| | Hathras | Mill Quality Loose | 550 | 520 | 30 |
| | Aligarh | Mill Quality Loose | 200 | Closed | - |
| Punjab | Khanna | Mill Quality Loose | 500 | 300 | 200 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 100 | 100 |

| | | | | | |
|--|---------|--------------------|-----|-----|------|
| | 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 (CBOT) Future Price:31.01.2018 | | | | | |
|--------------------------------------|-------|-------|-------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Mar | 458.5 | 458.8 | 447.5 | 451.75 | -5.50 |
| 18-May | 470.3 | 472.0 | 461.3 | 465.50 | -5.25 |
| 18-Jul | 483.5 | 484.5 | 474.8 | 479.00 | -4.50 |
| 18-Sep | 496.5 | 497.8 | 488.3 | 492.25 | -4.50 |
| 18-Dec | 515.3 | 516.0 | 507.0 | 510.50 | -5.25 |
| 19-Mar | 531.0 | 531.5 | 522.5 | 525.00 | -6.25 |

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