

Wheat Domestic Fundamentals:

According to latest update, area sown until 02nd February'18 is 300.70 lakh hectares compared to 317.82 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 average monthly prices for wheat increased by 0.63 percent from Rs 1817.67 (in December-2017) to Rs 1829.15 per qtl in January-2018. Average price (January) is lower by 5.19 percent compared to price (Rs 1929.26 per qtl.) registered in January -2017. Government has increased MSP of wheat by Rs 110 per quintal to Rs 1735 per quintal. Furthermore government has also increased import duty in order to curb imports and provide support to domestic prices.

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.

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.

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: 02.02.2018 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	-3	1661	1667	1658	1658	140	-180	4710	-70
18-Mar	+8	1684	1700	1679	1692	490	180	2250	130
18-Apr	0	1675	1675	1675	1675	0	0	0	0

Spread	Feb-18	Mar-18	Apr-18	
Spot Narela				
18-Feb	-57			
18-Mar		34		
18-Apr			-17	

Stocks	Demat	In- Process	Total	FED
	01.Jan.18	01.Jan.18	01.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
			2-Feb-18	1-Feb-18	
Delhi	Lawrence Road	Mill Delivery	1805	1810	-5
	Narella	Mill Quality Loose	1715	1750	-35
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1580	1620	-40
	Ahmedabad	Mill Delivery	1780	1780	Unch
	Surat	Mill Delivery	1810	1810	Unch
	Dhrol	Mill Quality Loose	1700	1825	-125
M.P.	Indore	Mill Delivery	1690	1690	Unch
	Bhopal	Mill Quality Loose	1600	1600	Unch
Rajasthan	Kota	Mill Quality Loose	1575	1575	Unch
		Mill Delivery	1660	1660	Unch
U.P.	Kanpur	Mill Delivery	1715	1735	-20
	Mathura	Mill Quality Loose	1620	1600	20
	Kosi	Mill Quality Loose	1610	1610	Unch
	Hathras	Mill Quality Loose	1635	1650	-15
	Aligarh	Mill Quality Loose	1590	1580	10
Punjab	Khanna	Mill Quality Loose	1740	1740	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1730	-5

	Hodal	Mill Delivery	1760	1760	Unch
	Bhiwani	Mill Quality Loose	1760	1750	10
	Karnal	Mill Delivery	1710	1725	-15
	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	1700	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Feb-18	1-Feb-18	
Gujarat	Rajkot	Lokwan	1750	1750	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1660	1660	Unch
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1630	1650	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Feb-18	1-Feb-18	
Delhi	Lawrence Road	Mill Delivery	6500	5000	1500
	Narella	Mill Quality Loose	400	NA	-
	Nazafgarh	Mill Quality Loose	150	70	80
Gujarat	Rajkot	Mill Quality Loose	900	800	100
	Dhrol	Mill Quality Loose	17	27	-10
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	600	550	50
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch

	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	300	200	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price:01.02.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	451.0	451.50	443.25	451.00	-0.75
18-May	464.5	464.75	456.50	464.25	-1.25
18-Jul	477.8	478.50	470.50	478.00	-1.00
18-Sep	490.8	492.00	484.00	491.50	-0.75
18-Dec	510.5	510.50	502.75	510.00	-0.50
19-Mar	521.3	525.00	518.00	525.00	Unch

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