

Wheat Domestic Fundamentals:

There is a rumour in the market that government may increase import duty on wheat from 20 percent to 30 percent. This step will put a complete halt on imports and provide support to domestic prices.

All India weekly average prices increased by 1.27 percent to Rs. 1857.77 per quintal during the week ended 08th February 2018. Wheat average price were ruling at Rs 1834.45 per quintal during 24-31 January 2018. As compared to prices in the week 01-08 February 2017, the prices are weak by 5.28 percent. Prices are expected to remain steady to weak in coming days.

As per latest update by DGCIS, India has exported around 179699 metric tonnes of wheat in April-December (2017-18) compared to 218494 metric tonnes in April- December (2016-17). In terms of value, exports have decreased by around 13 percent. Overall condition for Indian wheat export is not favourable and export volume would remain low in coming months as other countries are able to provide wheat at lower prices.

FCI will offer a total quantity 1092550 tonnes of wheat in different states through e-auction on 08th February at a reserve price of Rs 1790 per quintal. Sales through OMSS are low due to high imports and good production in previous season.

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 2065-2100 per quintal, ASW at Rs 1935-1955 per quintal and Ukrainian wheat at Rs 1750-1800 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

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.

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 100517 MMT of food quality wheat from United States, Canada and Australia. Around 33442 MMT has been bought from United States; Around 32101 MMT has been bought from Canada and 34974 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 30.

As per latest update, flour mill in Indonesia has bought 50000 tonnes of wheat from black sea with 11.5 percent protein content at CFR \$225 per tonne for shipment in March-April. Currently black sea is a economical and good source for supply around the globe.

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. Russia has produced around 85-86 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 \$196-198/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$194-197/tonne.

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

Wheat Futures Contract: NCDEX Price							Date: 09.02.2018 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	17	1643	1669	1649	1660	1460	830	2890	-750
18-Mar	19	1685	1702	1684	1697	2280	1,710	3420	640
18-Apr	0	1663	1663	1663	1663	0	0	0	0

Spread	Feb-18	Mar-18	Apr-18	
Spot Narela				
18-Feb	-40			
18-Mar		37		
18-Apr			-34	

Stocks	Demat	In- Process	Total	FED
	08.Jan.18	08.Jan.18	08.Jan.18	05.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 09.02.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Feb-18	8-Feb-18	
Delhi	Lawrence Road	Mill Delivery	1785	1780	5
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1700	1690	10
Gujarat	Rajkot	Mill Delivery	1550	1550	Unch
	Ahmedabad	Mill Delivery	1750	1710	40
	Surat	Mill Delivery	1770	1740	30
	Dhrol	Mill Quality Loose	NR	1755	-
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	NR	NR	-
Rajasthan	Kota	Mill Quality Loose	1560	1565	-5
		Mill Delivery	1660	1660	Unch
U.P.	Kanpur	Mill Delivery	1725	1740	-15
	Mathura	Mill Quality Loose	1660	1650	10
	Kosi	Mill Quality Loose	NR	1590	-
	Hathras	Mill Quality Loose	1650	1660	-10
	Aligarh	Mill Quality Loose	1590	1590	Unch
Punjab	Khanna	Mill Quality Loose	1750	1735	15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	1760	1760	Unch

	Bhiwani	Mill Quality Loose	NR	1750	-
	Karnal	Mill Delivery	1710	1710	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2000	2050	-50
	Madurai	Mill Quality	2057	2107	-50
	Coimbatore	Mill Quality	2057	2107	-50
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
			9-Feb-18	8-Feb-18	
Gujarat	Rajkot	Lokwan	1750	1700	50
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	NR	NR	-
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1625	1625	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Feb-18	8-Feb-18	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	700	300	400
	Nazafgarh	Mill Quality Loose	100	150	-50
Gujarat	Rajkot	Mill Quality Loose	700	700	Unch
	Dhrol	Mill Quality Loose	NR	6	-
M.P.	Indore	Mill Quality Loose	5000	10000	-5000
Rajasthan	Kota	Mill Quality	4000	2500	1500
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	NR	300	-
	Hathras	Mill Quality Loose	600	500	100
	Aligarh	Mill Quality Loose	150	300	-150
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(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	NR	200	-

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

Wheat (CBOT) Future Price:08.02.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	461.75	464.50	451.25	456.25	-4.25
18-May	474.50	476.75	464.50	469.25	-3.75
18-Jul	486.25	490.00	478.00	482.50	-3.75
18-Sep	500.25	503.00	492.00	497.00	-3.00
18-Dec	520.00	522.50	511.25	516.50	-2.25
19-Mar	532.75	535.50	526.25	531.50	-1.25

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