

Wheat Domestic Fundamentals:

There is a rumor circulating in the market that Madhya Pradesh government is likely to provide additional bonus of Rs 200 per quintal over MSP of Rs 1735 per quintal on wheat in marketing year 2018-19.

According to latest update, area sown until 09th February'18 is 304.29 lakh hectares compared to 317.88 lakh hectares in the previous Rabi season. The normal area is 304.43 lakh hectares. Progressive area was reported lower in Haryana, Maharashtra, Uttar Pradesh, Rajasthan and Madhya Pradesh compared to last year for same date.

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.

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.

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:

GASC has purchased 360000 tonnes of Russian and Romanian wheat through tender. Of the total quantity 240000 tonnes has been sourced from Russia and remaining 120000 tonnes from Romania. AOS offered 60000 tonnes of Russian wheat at FoB \$206.60 per tonne; Daewoo offered 60000 tonnes of Russian wheat at FoB \$207.95 per tonne, GTCS offered 60000 tonnes of Russian wheat at FoB \$207.95 per tonne, CHS offered 60000 tonnes of Romanian wheat at FoB \$208.43 per tonne, Union offered 60000 tonnes of Russian wheat at FoB \$208.43 per tonne and Cerealcon offered 60000 tonnes of Romanian wheat at FoB \$208.43 per tonne. Egypt's wheat reserves stand at four months after this purchase.

Algeria state grains agency OAIC has bought around 150000 tonnes of durum wheat in a tender that closed on Thursday. The prices paid were in the range of \$292.00 - \$295.00 per tonne (Cost and Freight). The quantity to be shipped is due in April and the origin is optional but major part of the quantity is likely to be sourced from Canada.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 12.02.2018 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	1650	1683	1650	1683	3710	2,250	610	-2,280
18-Mar	21	1710	1728	1696	1719	4820	2,540	6270	2,850
18-Apr	0	1673	1673	1673	1673	0	0	0	0

Spread	Feb-18	Mar-18	Apr-18	
Spot Narela				
18-Feb	8			
18-Mar		36		
18-Apr			46	

Stocks	Demat	In- Process	Total	FED
	10.Jan.18	10.Jan.18	10.Jan.18	5.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 12.2.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Feb-18	10-Feb-18	
Delhi	Lawrence Road	Mill Delivery	1770	1780	-10
	Narella	Mill Quality Loose	1675	1690	-15
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1560	1550	10
	Ahmedabad	Mill Delivery	1760	1750	10
	Surat	Mill Delivery	1820	1770	50
	Dhrol	Mill Quality Loose	1730	NR	-
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1560	1560	Unch
		Mill Delivery	1660	1660	Unch
U.P.	Kanpur	Mill Delivery	1745	1745	Unch
	Mathura	Mill Quality Loose	1625	1670	-45
	Kosi	Mill Quality Loose	1600	1590	10
	Hathras	Mill Quality Loose	1660	1655	5
	Aligarh	Mill Quality Loose	1610	1590	20
Punjab	Khanna	Mill Quality Loose	1730	1750	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	Unch
	Hodal	Mill Delivery	1760	1760	Unch

	Bhiwani	Mill Quality Loose	1720	1750	-30
	Karnal	Mill Delivery	1710	1710	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2000	2000	Unch
	Madurai	Mill Quality	2057	2057	Unch
	Coimbatore	Mill Quality	2057	2057	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
			12-Feb-18	10-Feb-18	
Gujarat	Rajkot	Lokwan	1750	1750	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2350	2350	Unch
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1625	1625	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Feb-18	10-Feb-18	
Delhi	Lawrence Road	Mill Delivery	11000	7000	4000
	Narella	Mill Quality Loose	200	500	-300
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1100	700	400
	Dhrol	Mill Quality Loose	10	NR	-
M.P.	Indore	Mill Quality Loose	3000	5000	-2000
Rajasthan	Kota	Mill Quality	2000	4000	-2000
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	100	250	-150
	Kosi	Mill Quality Loose	100	200	-100
	Hathras	Mill Quality Loose	510	400	110
	Aligarh	Mill Quality Loose	100	200	-100
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	300	200	100

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

Wheat (CBOT) Future Price:9.2.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	454.25	456.00	448.25	449.00	-7.25
18-May	467.25	469.00	460.50	461.00	-8.25
18-Jul	480.50	482.25	474.50	474.75	-7.75
18-Sep	495.00	496.75	489.50	489.75	-7.25
18-Dec	515.00	516.25	509.25	509.75	-6.75
19-Mar	527.50	528.00	524.00	524.75	-6.75

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