

Wheat Domestic Fundamentals:

FCI will offer a total quantity 997600 tonnes of wheat in different states through e-auction on 22nd February at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 342000 tonnes in Maharashtra followed by 260050 tonnes in Punjab, 195000 tonnes in Haryana, 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 33000 tonnes in Tamil Nadu, 16000 tonnes in Delhi, 15250 tonnes in Kerala, 6500 tonnes in Andhra Pradesh, 6000 tonnes in Chandigarh, 5500 tonnes in J&K, 3000 tonnes in Assam, 2000 tonnes in Bihar, 1500 tonnes in Himachal Pradesh, 1000 tonnes in Pondicherry and 800 tonnes in Gujarat.

All India weekly average prices decreased by 3.77 percent to Rs. 1783.61 per quintal during the week ended 15th February 2018. Wheat average price were ruling at Rs 1857.77 per quintal during 01-08 February 2018. As compared to prices in the week 09-15 February 2017, the prices are weak by 9.01 percent. Prices are expected to remain steady to firm in coming days.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed steady to slightly firm tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2100-2120 per quintal, ASW at Rs 2000-2030 per quintal and Ukrainian wheat at Rs 1840-1860 per quintal. Prices are likely to stay steady to firm in the coming week.

Wheat WPI has increased slightly from 139.4 in December-17 to 140.8 in January-2018. Monthly wheat inflation has increased by 1.00 percent in January-2018 compared to previous month. As compared to January-2017 wheat WPI has decreased by around 6.94 percent.

Government has fixed wheat procurement target at 32 MMT for 2018-19. Government target procurement for MY 2017-18 was 33 MMT against which it procured only 30.8 MMT.

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.

As per latest update by DGCIIS, 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 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 84683 MMT of food quality wheat from United States and Canada. Around 60463 MMT has been bought from United States and around 24220 MMT has been bought from Canada. Shipments from United States and Canada will be loaded between March 21 and April 20.

As per latest update by FranceAgrimer, French soft wheat exports to Non-European countries in 2017-18 season is likely to be around 9.0 MMT compared to forecast of 9.3 MMT in the previous month. It has also lowered its outlook for soft wheat shipments within EU to 8.45 MMT from 8.60 MMT last month. This downward revision of exports has led to increase in projected stocks of EU.

Wheat growers in black sea region have captured share of Australia in south-east Asian market. Since 2012, Australia has lost around 20 percent of its market share to black sea region. Traders in black sea region are still able to make profit despite wheat glut due to lower production cost. Furthermore they are able to increase wheat yields per hectare at a faster rate than Australia.

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

Wheat Futures Contract: NCDEX Price							Date: 20.02.2018 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-Mar	19	1768	1800	1752	1785	3,990	2,010	6840	340
18-Apr	52	1738	1793	1738	1790	290	230	330	230
18-May	0	1747	1747	1747	1747	0	0	0	0

Spread	Mar-18	Apr-18	May-18	
Spot Narela				
18-Mar	60			
18-Apr		5		
18-May			-43	

Stocks	Demat	In- Process	Total	FED
	19.Jan.18	19.Jan.18	19.Jan.18	19.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 20.2.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Feb-18	19-Feb-18	
Delhi	Lawrence Road	Mill Delivery	1800	1810	-10
	Narella	Mill Quality Loose	1725	1710	15
	Nazafgarh	Mill Quality Loose	1720	1720	Unch
Gujarat	Rajkot	Mill Delivery	Closed	1650	-
	Ahmedabad	Mill Delivery	Closed	1900	-
	Surat	Mill Delivery	Closed	1925	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1700	1650	50
	Bhopal	Mill Quality Loose	NR	1730	-
Rajasthan	Kota	Mill Quality Loose	1640	1640	Unch
		Mill Delivery	1750	1750	Unch
U.P.	Kanpur	Mill Delivery	1740	1760	-20
	Mathura	Mill Quality Loose	1650	1655	-5
	Kosi	Mill Quality Loose	1610	NR	-
	Hathras	Mill Quality Loose	1650	NR	-
	Aligarh	Mill Quality Loose	1630	1610	20
Punjab	Khanna	Mill Quality Loose	1735	1750	-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	1760	1760	Unch
	Karnal	Mill Delivery	1725	1720	5
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2075	2075	Unch
	Madurai	Mill Quality	2132	2132	Unch
	Coimbatore	Mill Quality	2132	2132	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1650	NR	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Feb-18	19-Feb-18	
Gujarat	Rajkot	Lokwan	Closed	1850	-
M.P.	Indore	Lokwan	1950	1950	Unch
	Bhopal	Lokwan	NR	1825	-
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1750	NR	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Feb-18	19-Feb-18	
Delhi	Lawrence Road	Mill Delivery	10000	12000	-2000
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	Closed	3500	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	3000	4000	-1000
U.P.	Kanpur	Mill Quality Loose	400	300	100
	Mathura	Mill Quality Loose	400	300	100
	Kosi	Mill Quality Loose	400	NR	-
	Hathras	Mill Quality Loose	400	NR	-
	Aligarh	Mill Quality Loose	250	100	150
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	60	-10
	Bhiwani	Mill Quality Loose	200	300	-100

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

Wheat (CBOT) Future Price:16.2.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	463.50	464.50	456.75	457.75	-4.00
18-May	478.00	478.00	470.25	471.50	-3.75
18-Jul	491.00	492.25	484.75	486.50	-3.50
18-Sep	506.00	507.75	500.25	502.50	-3.00
18-Dec	527.00	527.75	520.50	523.25	-2.75
19-Mar	463.50	464.50	456.75	457.75	-4.00

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