

Wheat Domestic Fundamentals:

Wheat production in MY 2018-19 is likely to be lower compared to last year. Higher temperature, scanty rains accompanied with strong winds is likely to impact yield mainly in northern states like Uttar Pradesh, Punjab and Haryana. However, light rains in Punjab are likely to benefit wheat crop affected by aphid.

Government agencies have started procurement since 15th March'18. Until 23rd March'18 government has procured around 0.48 lakh tonnes of wheat. Of the total quantity procured, around 0.47 lakh tonnes have been procured from Madhya Pradesh and 0.01 lakh tonnes from Gujarat. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT.

FCI has offered a total of 42500712 tonnes of wheat through E-Auction since June until third tender in March. Of the total quantity offered around 1391650 tonnes. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports.

As per latest update by DGCIS, India has exported around 192957 metric tonnes of wheat in April-January (2017-18) compared to 239308 metric tonnes in April- January (2016-17). In terms of value, exports have decreased by around 18 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 2190-2200 per quintal, ASW at Rs 1990-2010 per quintal and Ukrainian wheat at Rs 1820-1850 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

IMD has issued warning for thunderstorm accompanied with gusty winds in wheat growing regions such as Punjab, Haryana, North Rajasthan, etc. Temperature is likely to increase by 2-3 degree celcius in coming days. Increase in temperature may affect the yield of crop in maturity or harvesting stage.

All India weekly average prices decreased by 3.95 percent to Rs. 1794.90 per quintal during the week ended 15th March 2018. Wheat average price were ruling at Rs 1868.76 per quintal during 01-08 March 2018. As compared to prices in the week 09-15 March 2017, the prices are weak by 8.89 percent. Prices are expected to remain steady to weak in coming days due to increasing arrival pressure.

As per second advance estimate, India is likely to produce 97.11 MMT of wheat compared to 98.51 MMT in previous year. The total food grain production is expected at record 277.49 MMT compared to 275.11 MMT last year. This year overall acreage is lower by around 4.27% compared to last years' acreage of 317.88 lakh hectares.

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.

International Market Update:

Russian milling wheat prices remained steady to weak by \$0-1 per tonne compared to last week. Weak export demand from southern Russia and higher carryover stocks has weakened prices. 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 \$206.00-208.00/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$202.00-204.00/tonne.

As per latest update, Japan's ministry of agriculture bought 127338 MMT of food quality wheat from United States and Canada. Around 91942 MMT has been bought from United States and around 35396 MMT with minimum 13.5 percent protein content has been bought from Canada. Shipments from United States and Canada will be loaded between April 21 and May 20, 2018.

GASC has purchased 240000 tonnes of Russian and Romanian wheat through tender. Of the total quantity 120000 tonnes has been sourced from Russia and remaining 120000 tonnes from Romania. Aston offered 60000 tonnes of Russian wheat at FoB \$216.97 per tonne; GTCS offered 60000 tonnes of Russian wheat at FoB \$217.00 per tonne, ADM offered 60000 tonnes of Romanian wheat at FoB \$218.79 per tonne and Cerealscom offered 60000 tonnes of Romanian wheat at FoB \$218.79 per tonne.

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

Wheat Futures Contract: NCDEX Price							Date: 23.03.2018 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-Apr	-20	1706	1706	1671	1688	680	-620	1650	90
18-May	-11	1700	1704	1700	1700	140	20	190	80
18-Jun	0	1714	1714	1714	1714	0	0	0	0

Spread	Apr-18	May-18	June-18	
Spot Narela				
18-Apr	18			
18-May		12		
18-June			14	

Stocks	Demat	In- Process	Total	FED
	22.Mar.18	22.Mar.18	22.Mar.18	19.Mar.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 23.03.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Mar-18	22-Mar-18	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1670	1690	-20
	Nazafgarh	Mill Quality Loose	1675	1700	-25
Gujarat	Rajkot	Mill Delivery	1550	1560	-10
	Ahmedabad	Mill Delivery	1790	1740	50
	Surat	Mill Delivery	1820	1775	45
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	1700	1675	25
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1580	1580	Unch
		Mill Delivery	1710	1710	Unch
U.P.	Kanpur	Mill Delivery	1745	1740	5
	Mathura	Mill Quality Loose	1575	NR	-
	Kosi	Mill Quality Loose	1610	1605	5
	Hathras	Mill Quality Loose	NR	1645	-
	Aligarh	Mill Quality Loose	1585	1600	-15
Punjab	Khanna	Mill Quality Loose	1725	1725	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1710	1715	-5
	Hodal	Mill Delivery	1700	1750	-50

	Bhiwani	Mill Quality Loose	1690	1670	20
	Karnal	Mill Delivery	1700	1700	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	NR	1625	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1840	1850	-10
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1840	1850	-10

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Mar-18	22-Mar-18	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	LokwanBilty	1820	1820	Unch
	Baran	Lokwan	1820	1820	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Mar-18	22-Mar-18	
Delhi	Lawrence Road	Mill Delivery	5000	8000	-3000
	Narella	Mill Quality Loose	300	400	-100
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	7000	8000	-1000
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	3000	2000	1000
Rajasthan	Kota	Mill Quality	20000	25000	-5000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	300	NR	-
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	NR	450	-
	Aligarh	Mill Quality Loose	250	300	-50
Punjab	Khanna	Mill Quality Loose	300	600	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	400	700	-300

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

Wheat Products Delhi	23-Mar-18	22-Mar-18	Change
Atta (50kg) Ordinary	1015	1015	Unch
Maida Grade 1 (50KG)	1135	1135	Unch
Suji (50kg)	1190	1190	Unch
Chokar (50 kg)	744	744	Unch
Chokar (34 kg)	516	516	Unch
Chakki Atta (50kg)	1025	1025	Unch
Chakki Atta (50kg) Special	1025	1025	Unch
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	1100	1100	Unch

Wheat (CBOT) Future Price:21.3.2018					
Contract Month	Open	High	Low	Close	Change
18-May	453.5	454.50	446.75	453.50	0.50
18-Jul	468.5	470.50	462.25	469.25	0.50
18-Sep	485.0	486.75	479.00	485.50	0.25
18-Dec	506.3	507.50	500.75	507.25	0.75
19-Mar	523.8	525.25	518.25	524.50	1.00
19-May	532.8	533.25	527.25	533.25	0.75

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