

Wheat Domestic Fundamentals:

FCI will offer a total quantity 2063950 tonnes of wheat in different states through e-auction on 27th September 2018 at a reserve price of Rs 1900 per quintal.

Indian FoB quote is hovering around \$294.14 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$203.50, \$209.50, Euro 201.00, \$216.36 and \$257.25 per tonne respectively. There is little hope for recovery at export front this year. India is expected to import 0.5 million tonnes or lower in MY 2018-19 due to good availability in domestic market. Global FoB quotes have become firm due to lower production and decrease in carryover stocks.

As per trade sources imported wheat from various origins to Tuticorin port witnessed weak tone in the week. As of now Ukrainian wheat is Rs 2160-2170 per quintal. Australian Standard Wheat (ASW) and Australian Premium Wheat (APW) is not available in the domestic market. Stock of imported wheat has declined in past months as no quantity has been imported since February 2018 from Australia or Black sea region.

All India weekly average prices increased by 4.84 percent to Rs. 2153.88 per quintal during the week ended 23rd September 2018. Wheat average price were ruling at Rs 2054.52 per quintal during 09-15 September 2018. As compared to prices in the week 16-23 September 2017, the prices are weak by 5.80 percent. Prices are expected to remain firm in coming days due to good domestic demand.

As per trade sources, after increase in import duty to 30 percent imports have decreased substantially. India has imported no wheat in the month of August-2018. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 31000 tonnes in the month of February-2018. As of now there is no import parity.

As per trade source, India has exported around 1.90 thousand tonnes in the month of August compared to 0.72 thousand tonnes in July. The quantity in July was exported at an average FOB of \$ 420.97 per tonne and the major destinations were South Africa, Sri Lanka, UAE, Malaysia, Congo and Bahrain. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

Wheat WPI has increased from 144.9 in July-2018 to 148.6 in August-2018. Monthly wheat inflation has increased by 2.55 percent in August -2018 compared to previous month. As compared to August-2017 wheat WPI has increased by around 8.39 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

Previous Updates:

As per fourth advance estimate, wheat production has been pegged at 99.70 MMT compared to 98.61 MMT in its third advance estimate issued in the month of May-2018. Total food grain output is expected to be around 284.43 MMT compared to 279.51 MMT in earlier estimate.

International Market Update:

Russian milling wheat prices became weak by \$0-1 per tonne at Novorossiysk and \$2-4 per tonne at Odessa compared to last week. Russia doesn't have any plan to curb export of grains as of now. Furthermore, demand is low due to uncertainty regarding price movement in future. As per USDA, Russia is expected to produce 68.00 MMT in 2018 compared to 84.99 MMT in 2017. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$214.00-219.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$210.00-216.00/tonne.

Egypt's state grains buyer, GASC has purchased 180000 tonnes of wheat for shipment during 01-10 November and 295000 tonnes of wheat for shipment during 11-20 November. Of the total quantity 415000 tonnes was Russian wheat and remaining was Ukrainian wheat. In its previous tender on 12th September 2018, Egypt has bought 235000 tonnes of wheat from Russia.

As per ABARES, Australia is expected to produce 19.1 MMT of wheat in 2018-19 due to unfavourable weather conditions. Australia exports around two-third of its total production. Due to fall in production, Asian flour mills may seek wheat from Argentina in coming months. Argentina has quoted \$275 per tonne including cost and freight for Asia compared to \$290 per tonne from Australia.

Algeria state grains agency OAIC has bought around 630000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid were in the range of \$262.00 - \$263.00 per tonne (Cost and Freight). The quantity to be shipped is due in November. Most of the quantity is expected to be sourced from France and Algeria.

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

Wheat Futures Contact: NCDEX Price							Date: 26.09.2018 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-Oct	+11	2041	2049	2040	2048	110	50	2280	-20
18-Nov	0	2046	2046	2046	2046	0	0	0	0
18-Dec	0	2055	2055	2055	2055	0	0	0	0

Spread	Oct-18	Nov-18	Dec-18	
Spot Narela				
18-Oct	-			
18-Nov		-2		
18-Dec			9	

Stocks	Demat	In- Process	Total	EDD
	25.Sep.18	25.Sep.18	25.Sep.18	24.Sep.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6778	0	6778	6778
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 26.09.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Sep-18	25-Sep-18	
Delhi	Lawrence Road	Mill Delivery	2040	2030	10
	Narella	Mill Quality Loose	Closed	NA	-
	Nazafgarh	Mill Quality Loose	Closed	NA	-
Gujarat	Rajkot	Mill Delivery	1950	1950	Unch
	Ahmedabad	Mill Delivery	2125	2120	5
	Surat	Mill Delivery	2160	2150	10
	Dhrol	Mill Quality Loose	NR	1970	-
M.P.	Indore	Mill Delivery	2060	2060	Unch
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	1915	1900	15
		Mill Delivery	2020	2020	Unch
U.P.	Kanpur	Mill Delivery	1950	1950	Unch
	Mathura	Mill Quality Loose	1860	1855	5
	Kosi	Mill Quality Loose	1865	1860	5
	Hathras	Mill Quality Loose	NR	1880	-
	Aligarh	Mill Quality Loose	Closed	1860	-
Punjab	Khanna	Mill Quality Loose	1860	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1840	Unch
	Hodal	Mill Delivery	2030	2030	Unch

	Bhiwani	Mill Quality Loose	1925	1925	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2320	30
	Madurai	Mill Quality	2407	2377	30
	Coimbatore	Mill Quality	2407	2377	30
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1925	1925	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Sep-18	25-Sep-18	
Gujarat	Rajkot	Lokwan	2150	2125	25
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	Closed	2950	-
Rajasthan	Kota	Lokwan Bilty	2150	2110	40
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Sep-18	25-Sep-18	
Delhi	Lawrence Road	Mill Delivery	8000	7500	500
	Narella	Mill Quality Loose	Closed	NA	-
	Nazafgarh	Mill Quality Loose	Closed	NA	-
Gujarat	Rajkot	Mill Quality Loose	900	700	200
	Dhrol	Mill Quality Loose	NR	12	-
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	4000	1500	2500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	300	300	Unch
	Kosi	Mill Quality Loose	400	500	-100
	Hathras	Mill Quality Loose	NR	60	-
	Aligarh	Mill Quality Loose	Closed	400	-
Punjab	Khanna	Mill Quality Loose	500	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	30	30	Unch
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	26-Sep-18	25-Sep-18	Change
Atta (50kg) Ordinary	1100	1100	Unch
Maida Grade 1 (50KG)	1175	1175	Unch
Suji (50kg)	1225	1225	Unch
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1150	1150	Unch
Chakki Atta (50kg) Special	1175	1175	Unch
Chakki Atta (90kg) Superfine	2135	2135	Unch
Chakki Atta (50kg) Superfine	1185	1185	Unch

Wheat (CBOT) Future Price: 25.09.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	525.25	525.75	516.25	520.75	-6.25
19-Mar	544.50	544.50	535.50	539.50	-6.00
19-May	556.75	556.75	547.75	551.25	-6.00
19-Jul	558.75	558.75	549.50	552.00	-7.25
19-Sep	564.25	568.00	559.50	562.00	-6.75
19-Dec	580.25	582.00	574.25	577.00	-5.75

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