

Wheat Domestic Fundamentals:

As per trade sources imported wheat from various origins to Tuticorin port witnessed firm tone in the week. As of now Ukrainian wheat is being quoted at Rs 2170-2175 per quintal. Australian Standard Wheat (ASW) and Australian Premium Wheat (APW) are not available in 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 decreased by 7.41 percent to Rs. 1994.20 per quintal during the week ended 30th September 2018. Wheat average price were ruling at Rs 2153.88 per quintal during 16-23 September 2018. As compared to prices in the week 24-30 September 2017, the prices are firm by 3.82 percent. Prices are expected to remain firm in coming days due to good domestic demand.

Government has offered 20396060 tonnes of wheat in OMSS since first tender in July until third tender in September, out of which 1311400 tonnes was sold. Total numbers of rakes sold were 117. State government and bulk consumers bought 284750 tonnes and 957750 tonnes of wheat respectively. 68900 tonnes was sold in dedicated movement. Government will sell wheat in open market at a reserve price of Rs 1900 per quintal in the second quarter i.e. July-September. For third and fourth quarter reserve price will be Rs 1925 per quintal and Rs 1950 per quintal respectively.

Wheat prices in Australia and Black sea region have become firm in past week. As of now, Russian wheat with 12.5 percent protein content and Australian standard wheat (ASW) is being quoted at \$328 per tonne and \$363 per tonne respectively, after including freight and import duty @30%. Local expenses will make imported wheat more expensive. Therefore, there is no parity for imported wheat as of now.

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.

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:

As per latest update, IGC expects wheat production to increase by 1 MMT to 717 MMT. The forecast has increased due to an upward revision by Russia which has slightly offset the lower production in Australia.

Russian milling wheat prices became firm by \$6-7 per tonne at Novorossiysk and \$10 per tonne at Odessa compared to last week. Russian grain market players reported long vessels' delays in the ports, waiting for phytosanitary certificates for export parcels. 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 \$220.00-226.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$220.00-226.00/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: 03.10.2018 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 | +7 | 2058 | 2058 | 2043 | 2045 | 230 | +110 | 1800 | -100 |
| 18-Nov | +3 | 2055 | 2055 | 2054 | 2054 | 260 | +230 | 300 | +260 |
| 18-Dec | 0 | 2064 | 2064 | 2064 | 2064 | 0 | 0 | 0 | 0 |

| Spread | Oct-18 | Nov-18 | Dec-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 18-Oct | 65 | | | |
| 18-Nov | | 9 | | |
| 18-Dec | | | 10 | |

| Stocks | Demat | In- Process | Total | EDD |
|--------|-----------|-------------|-----------|-----------|
| | 01.Oct.18 | 01.Oct.18 | 01.Oct.18 | 01.Oct.18 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 973 | 0 | 973 | 974 |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 03.10.2018

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
| | | | 3-Oct-18 | 1-Oct-18 | |
| Delhi | Lawrence Road | Mill Delivery | 2040 | 2040 | Unch |
| | Narella | Mill Quality Loose | Closed | 1980 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 1951 | - |
| Gujarat | Rajkot | Mill Delivery | 1950 | 1950 | Unch |
| | Ahmedabad | Mill Delivery | 2130 | 2120 | 10 |
| | Surat | Mill Delivery | 2160 | 2150 | 10 |
| | Dhrol | Mill Quality Loose | 2130 | 1990 | 140 |
| M.P. | Indore | Mill Delivery | 2060 | 2060 | Unch |
| | Bhopal | Mill Quality Loose | 1900 | 1900 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1895 | 1895 | Unch |
| | | Mill Delivery | 2000 | 2000 | Unch |
| U.P. | Kanpur | Mill Delivery | 1975 | 1950 | 25 |
| | Mathura | Mill Quality Loose | 1825 | 1825 | Unch |
| | Kosi | Mill Quality Loose | 1890 | 1870 | 20 |
| | Hathras | Mill Quality Loose | NR | 1875 | - |
| | Aligarh | Mill Quality Loose | Closed | 1840 | - |
| Punjab | Khanna | Mill Quality Loose | 1850 | 1840 | 10 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1850 | 1835 | 15 |
| | Hodal | Mill Delivery | 2030 | 2030 | Unch |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 1940 | 1935 | 5 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2350 | 2350 | Unch |
| | Madurai | Mill Quality | 2407 | 2407 | Unch |
| | Coimbatore | Mill Quality | 2407 | 2407 | Unch |
| 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 |
|-----------|--------|--------------|-----------------|----------|--------|
| | | | 3-Oct-18 | 1-Oct-18 | |
| Gujarat | Rajkot | Lokwan | 2150 | 2125 | 25 |
| M.P. | Indore | Lokwan | 2600 | 2600 | Unch |
| | Bhopal | Lokwan | 2150 | 2150 | Unch |
| | Bina | Sarbati 306 | 2950 | 2950 | Unch |
| Rajasthan | Kota | Lokwan Bilty | 2130 | 2130 | Unch |
| | Baran | Lokwan | 2000 | Closed | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 3-Oct-18 | 1-Oct-18 | |
| Delhi | Lawrence Road | Mill Delivery | 7000 | 11000 | -4000 |
| | Narella | Mill Quality Loose | Closed | 400 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 125 | - |
| Gujarat | Rajkot | Mill Quality Loose | 400 | 900 | -500 |
| | Dhrol | Mill Quality Loose | 24 | 37 | -13 |
| M.P. | Indore | Mill Quality Loose | 3000 | 3000 | Unch |
| Rajasthan | Kota | Mill Quality | 8000 | 8000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 300 | 500 | -200 |
| | Mathura | Mill Quality Loose | 100 | 100 | Unch |
| | Kosi | Mill Quality Loose | 100 | 300 | -200 |
| | Hathras | Mill Quality Loose | NR | 150 | - |
| | Aligarh | Mill Quality Loose | Closed | 500 | - |
| Punjab | Khanna | Mill Quality Loose | 500 | 500 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 300 | 300 | 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 | 3-Oct-18 | 1-Oct-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: 02.10.2018 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Dec | 510.50 | 524.75 | 505.25 | 519.25 | 9.75 |
| 19-Mar | 529.00 | 543.25 | 524.75 | 538.00 | 9.25 |
| 19-May | 541.00 | 554.25 | 537.25 | 549.00 | 8.00 |
| 19-Jul | 545.50 | 558.00 | 541.75 | 554.50 | 10.00 |
| 19-Sep | 557.50 | 569.50 | 554.00 | 567.00 | 10.75 |
| 19-Dec | 572.50 | 584.75 | 569.75 | 583.50 | 11.25 |

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