

Wheat Domestic Fundamentals:

As per latest update, hybrid varieties of wheat such as HD 8579, HD 4728, HW 5207, HS 562, HD 3171 and HD 1605 have been introduced for upcoming Rabi season. All the hybrid varieties have good yields especially when used in irrigated areas. In case farmers go for these varieties in upcoming Rabi season, production is expected to increase.

All India weekly average prices increased by 1.18 percent to Rs. 2017.72 per quintal during the week ended 08th October 2018. Wheat average price were ruling at Rs 1994.20 per quintal during 24-30 September 2018. As compared to prices in the week 01-08 October 2017, the prices are firm by 7.84 percent. Prices are expected to remain firm in coming days due to good domestic demand.

Government has increased MSP of wheat by Rs 105 per quintal to Rs 1840 per quintal for MY 2019-20. This will motivate farmers to sow more area and thereby boost production of wheat.

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.

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:

Russian milling wheat prices became firm by \$3 per tonne at Novorossiysk and \$3 per tonne at Odessa compared to last week. Wheat prices remained firm due to strong ruble and concerns over export related matters such as tightening phytosanitary rules and longer time to get necessary certificates. As per USDA, Russia is expected to produce 68.50 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 \$223.00-229.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$223.00-229.00/tonne.

As per latest update, France has exported 1.48 MMT of soft wheat in August-18. Of the total quantity, around 0.74 MMT of wheat was exported to Argentina. Total wheat exports during July-August'18 were 2.78 MMT up by around 9 percent year on year.

Egypt's state grains buyer, GASC has purchased 180000 tonnes of Russian wheat. Daewoo offered 60000 tonnes of Russian wheat at FOB \$233.95/tonne. Aston offered 60000 tonnes of Russian wheat at FOB \$235.80/tonne. Garant offered 60000 tonnes of Russian wheat at FOB \$236.90/tonne. In its previous tender on 18th September 2018, Egypt has bought 475000 tonnes of wheat from Russia.

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.

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

Wheat Futures Contact: NCDEX Price							Date: 08.10.2018 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	0	2045	2049	2045	2046	210	-310	1030	-180
18-Nov	0	2059	2061	2052	2059	40	-90	530	0
18-Dec	0	2072	2072	2072	2072	0	0	0	0

Spread	Oct-18	Nov-18	Dec-18	
Spot Narela				
18-Oct	46			
18-Nov		13		
18-Dec			13	

Stocks	Demat	In- Process	Total	EDD
	06.Oct.18	06.Oct.18	06.Oct.18	01.Oct.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	973	0	973	974
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 08.10.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Oct-18	6-Oct-18	
Delhi	Lawrence Road	Mill Delivery	2040	2045	-5
	Narella	Mill Quality Loose	2000	1980	20
	Nazafgarh	Mill Quality Loose	1950	1960	-10
Gujarat	Rajkot	Mill Delivery	1970	1960	10
	Ahmedabad	Mill Delivery	2140	2135	5
	Surat	Mill Delivery	2170	2165	5
	Dhrol	Mill Quality Loose	2200	2075	125
M.P.	Indore	Mill Delivery	2025	2025	Unch
	Bhopal	Mill Quality Loose	Closed	1950	-
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2010	2010	Unch
U.P.	Kanpur	Mill Delivery	1975	1975	Unch
	Mathura	Mill Quality Loose	1820	1820	Unch
	Kosi	Mill Quality Loose	1900	1915	-15
	Hathras	Mill Quality Loose	1850	1850	Unch
	Aligarh	Mill Quality Loose	1840	1840	Unch
Punjab	Khanna	Mill Quality Loose	1890	1850	40
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1845	1845	Unch
	Hodal	Mill Delivery	2020	2030	-10

	Bhiwani	Mill Quality Loose	1950	NR	-
	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
			8-Oct-18	6-Oct-18	
Gujarat	Rajkot	Lokwan	2150	2160	-10
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	Closed	2080	-
	Bina	Sarbati 306	Closed	2925	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Oct-18	6-Oct-18	
Delhi	Lawrence Road	Mill Delivery	6500	6000	500
	Narella	Mill Quality Loose	200	400	-200
	Nazafgarh	Mill Quality Loose	100	40	60
Gujarat	Rajkot	Mill Quality Loose	800	800	Unch
	Dhrol	Mill Quality Loose	38	14	24
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	400	600	-200
	Mathura	Mill Quality Loose	100	100	Unch
	Kosi	Mill Quality Loose	100	50	50
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	400	500	-100
Punjab	Khanna	Mill Quality Loose	200	300	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	25	30	-5
	Bhiwani	Mill Quality Loose	300	NR	-

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

Wheat Products Delhi	8-Oct-18	6-Oct-18	Change
Atta (50kg) Ordinary	1120	1100	20
Maida Grade 1 (50KG)	1185	1175	10
Suji (50kg)	1245	1225	20
Chokar (50 kg)	915	900	15
Chokar (34 kg)	625	615	10
Chakki Atta (50kg)	1170	1150	20
Chakki Atta (50kg) Special	1195	1175	20
Chakki Atta (90kg) Superfine	2170	2135	35
Chakki Atta (50kg) Superfine	1205	1185	20

Wheat (CBOT) Future Price: 05.10.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	518.00	524.50	517.25	521.00	3.00
19-Mar	536.75	543.00	536.25	540.25	3.50
19-May	547.75	553.50	546.50	550.25	2.75
19-Jul	553.75	557.75	551.00	555.50	1.75
19-Sep	568.25	570.25	564.00	568.50	1.75
19-Dec	586.00	586.25	580.50	585.50	1.75

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