

Wheat Domestic Fundamentals:

Wheat cash market is likely to trade steady to firm as prices are getting support from no imports and good domestic demand. Normal firmness can be expected in the market during festive season. There is no problem at supply side due to ample availability.

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 2180-2190 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.

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.

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 on 05th October Russia has harvested 70.2 million tonnes of wheat compared to 85.5 million tonnes a year ago for the same date. Around 24.7 million hectares of area has been harvested with an average yield of 2.84 tonnes per hectare compared to 26.2 million hectares with an average yield of 3.26 tonnes per hectare a year ago for same date. Russia has harvested record crop last year.

As per the Rosario grain exchange, Argentina is likely to harvest 19 MMT compared to 21 MMT in its previous estimate. The forecast has been revised down due to dry weather during September and first ten days of October.

Ukrainian wheat exports have touched 5.8 MMT until September-18, which represents 36 percent of the amount projected in the Memorandum signed by grain market participants and the Agrarian Policy Ministry. Of the total quantity exported 2.5 MMT is fodder wheat and 3.3 MMT is milling wheat. As per the memorandum signed on 10th August for MY 2018-19, export of milling and fodder wheat is expected at 8 MMT each.

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.

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

Wheat Futures Contact: NCDEX Price							Date: 11.10.2018 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	-31	2055	2037	2008	2024	570	-60	60	-290
18-Nov	0	2067	2067	2067	2067	0	-320	0	-740
18-Dec	0	2079	2079	2079	2079	0	0	0	0

Spread	Oct-18	Nov-18	Dec-18
Spot Narela			
18-Oct	24		
18-Nov		43	
18-Dec			12

Stocks	Demat	In-Process	Total	EDD
	10.Oct.18	10.Oct.18	10.Oct.18	08.Oct.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	973	0	973	973
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 11.10.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Oct-18	10-Oct-18	
Delhi	Lawrence Road	Mill Delivery	2050	2050	Unch
	Narella	Mill Quality Loose	2000	Closed	-
	Nazafgarh	Mill Quality Loose	1970	Closed	-
Gujarat	Rajkot	Mill Delivery	1970	1970	Unch
	Ahmedabad	Mill Delivery	2140	2130	10
	Surat	Mill Delivery	2170	2160	10
	Dhrol	Mill Quality Loose	2100	2055	45
M.P.	Indore	Mill Delivery	2025	2025	Unch
	Bhopal	Mill Quality Loose	1925	Closed	-
Rajasthan	Kota	Mill Quality Loose	1920	Closed	-
		Mill Delivery	2025	Closed	-
U.P.	Kanpur	Mill Delivery	1960	1960	Unch
	Mathura	Mill Quality Loose	1840	1832	8
	Kosi	Mill Quality Loose	1985	1980	5
	Hathras	Mill Quality Loose	1880	1850	30
	Aligarh	Mill Quality Loose	1840	Closed	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1840	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1970	1950	20
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	Closed	-
	Madurai	Mill Quality	2407	Closed	-
	Coimbatore	Mill Quality	2407	Closed	-
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1950	1950	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Oct-18	10-Oct-18	
Gujarat	Rajkot	Lokwan	2175	2150	25
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2100	Closed	-
	Bina	Sarbati 306	2950	Closed	-
Rajasthan	Kota	Lokwan Bilty	2000	Closed	-
	Baran	Lokwan	NA	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Oct-18	10-Oct-18	
Delhi	Lawrence Road	Mill Delivery	5000	8000	-3000
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	300	600	-300
	Dhrol	Mill Quality Loose	9	45	-36
M.P.	Indore	Mill Quality Loose	2000	4000	-2000
Rajasthan	Kota	Mill Quality	3000	Closed	-
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	100	100	Unch
	Kosi	Mill Quality Loose	150	200	-50
	Hathras	Mill Quality Loose	400	200	200
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	11-Oct-18	10-Oct-18	Change
Atta (50kg) Ordinary	1120	1120	Unch
Maida Grade 1 (50KG)	1185	1185	Unch
Suji (50kg)	1245	1245	Unch
Chokar (50 kg)	915	915	Unch
Chokar (34 kg)	625	625	Unch
Chakki Atta (50kg)	1170	1170	Unch
Chakki Atta (50kg) Special	1195	1195	Unch
Chakki Atta (90kg) Superfine	2170	2170	Unch
Chakki Atta (50kg) Superfine	1205	1205	Unch

Wheat (CBOT) Future Price: 10.10.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	516.75	518.00	510.25	510.50	-4.50
19-Mar	536.50	537.75	530.50	531.25	-4.00
19-May	547.50	547.75	541.75	543.50	-2.75
19-Jul	553.25	554.50	547.50	548.75	-3.25
19-Sep	565.00	565.25	559.75	560.25	-4.25
19-Dec	581.75	582.25	575.50	576.50	-4.50

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