

Wheat Domestic Fundamentals:

India mainly imports from Australia and Russia. Wheat prices have become firm in both the countries due to lower production. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$340 (Rs 25040) per tonne and \$367 (Rs 27000) per tonne respectively, after including freight and import duty @30%. Whereas wheat mill quality price in South India is ruling around Rs 23500-24000 per tonne.

As per latest update, wheat stock in central pool as on 1st October'18 stood at 356.25 lakh tonnes down by 7.49% compared to last month. This quantity is higher by around 37.73% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st October'18 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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.

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: 12.10.2018 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	+3	2025	2028	2028	2028	0	-570	10	-50
18-Nov	-2	2044	2042	2042	2042	0	0	740	+740
18-Dec	-9	2063	2054	2054	2054	0	0	0	0

Spread	Oct-18	Nov-18	Dec-18
Spot Narela			
18-Oct	28		
18-Nov		14	
18-Dec			12

Stocks	Demat	In-Process	Total	EDD
	12.Oct.18	12.Oct.18	12.Oct.18	08.Oct.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	973	0	973	973
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 13.10.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Oct-18	12-Oct-18	
Delhi	Lawrence Road	Mill Delivery	2060	2055	5
	Narela	Mill Quality Loose	2000	2000	Unch
	Nazafgarh	Mill Quality Loose	1970	1970	Unch
Gujarat	Rajkot	Mill Delivery	1960	1970	-10
	Ahmedabad	Mill Delivery	2140	2140	Unch
	Surat	Mill Delivery	2170	2170	Unch
	Dhrol	Mill Quality Loose	1990	2025	-35
M.P.	Indore	Mill Delivery	2025	2025	Unch
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2020	2020	Unch
U.P.	Kanpur	Mill Delivery	1945	1945	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	1985	1945	40
	Hathras	Mill Quality Loose	1870	1860	10
	Aligarh	Mill Quality Loose	1870	1870	Unch
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	1970	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
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
			13-Oct-18	12-Oct-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2500	2550	-50
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2950	2950	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Oct-18	12-Oct-18	
Delhi	Lawrence Road	Mill Delivery	7500	7000	500
	Narella	Mill Quality Loose	300	500	-200
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	300	500	-200
	Dhrol	Mill Quality Loose	3	31	-28
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	600	600	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	250	200	50
	Hathras	Mill Quality Loose	300	300	Unch
	Aligarh	Mill Quality Loose	250	700	-450
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	400	700	-300

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

Wheat Products Delhi	13-Oct-18	12-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: 12.10.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	507.75	519.00	507.25	517.25	9.25
19-Mar	528.75	539.50	528.75	537.50	8.25
19-May	541.25	551.25	541.00	549.25	7.75
19-Jul	548.00	557.00	547.50	555.50	7.50
19-Sep	562.00	568.50	562.00	567.00	7.00
19-Dec	577.00	584.00	577.00	583.00	6.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.