

Wheat Domestic Fundamentals:

Wheat WPI has increased from 148.6 in August -2018 to 149.8 in September-2018. Monthly wheat inflation has increased by 0.81 percent in September -2018 compared to previous month. As compared to September-2017 wheat WPI has increased by around 8.87 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

All India weekly average prices increased by 0.84 percent to Rs. 2034.69 per quintal during the week ended 15th October 2018. Wheat average price were ruling at Rs 2017.72 per quintal during 01-08 October 2018. As compared to prices in the week 09-15 October 2017, the prices are firm by 6.13 percent. Prices are expected to remain firm in coming days due to good domestic demand.

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 2195-2202 per quintal. Australian Standard Wheat (ASW) and Australian Premium Wheat (APW) are not available in domestic market. Stock of imported wheat is very low as no quantity has been imported since February 2018 from Australia or Black sea region.

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.

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 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: 16.10.2018 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-Nov	2	2040	2042	2040	2042	80	-220	680	-80
18-Dec	0	2054	2054	2054	2054	0	0	0	0
19-Jan	0	2065	2065	2065	2065	0	0	0	0

Spread	Nov-18	Dec-18	Jan-19
Spot Narela			
18-Nov	42		
18-Dec		12	
19-Jan			11

Stocks	Demat	In-Process	Total	EDD
	15.Oct.18	15.Oct.18	15.Oct.18	15.Oct.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	973	0	973	973
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 16.10.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Oct-18	15-Oct-18	
Delhi	Lawrence Road	Mill Delivery	2060	2060	Unch
	Narella	Mill Quality Loose	2000	2000	Unch
	Nazafgarh	Mill Quality Loose	1970	1970	Unch
Gujarat	Rajkot	Mill Delivery	1960	1960	Unch
	Ahmedabad	Mill Delivery	2130	2130	Unch
	Surat	Mill Delivery	2160	2160	Unch
	Dhrol	Mill Quality Loose	2130	2105	25
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	1810	1832	-22
	Kosi	Mill Quality Loose	1920	1950	-30
	Hathras	Mill Quality Loose	1870	1870	Unch
	Aligarh	Mill Quality Loose	1800	1830	-30
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1860	1850	10
	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	1975	1975	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Oct-18	15-Oct-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2150	2100	50
	Bina	Sarbati 306	2900	2900	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Oct-18	15-Oct-18	
Delhi	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	400	500	-100
	Dhrol	Mill Quality Loose	42	5	37
M.P.	Indore	Mill Quality Loose	2500	2500	Unch
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	250	200	50
	Hathras	Mill Quality Loose	300	300	Unch
	Aligarh	Mill Quality Loose	500	300	200
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	300	400	-100

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

Wheat Products Delhi	16-Oct-18	15-Oct-18	Change
Atta (50kg) Ordinary	1130	1130	Unch
Maida Grade 1 (50KG)	1195	1195	Unch
Suji (50kg)	1255	1255	Unch
Chokar (50 kg)	920	920	Unch
Chokar (34 kg)	625	625	Unch
Chakki Atta (50kg)	1180	1180	Unch
Chakki Atta (50kg) Special	1205	1205	Unch
Chakki Atta (90kg) Superfine	2185	2185	Unch
Chakki Atta (50kg) Superfine	1215	1215	Unch

Wheat (CBOT) Future Price: 15.10.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	518.50	526.00	514.75	525.00	7.75
19-Mar	538.75	544.50	535.25	543.75	6.25
19-May	548.75	556.00	547.50	555.25	6.00
19-Jul	556.50	560.75	553.00	560.25	4.75
19-Sep	568.50	571.75	564.50	571.25	4.25
19-Dec	584.50	587.25	580.50	586.75	3.75

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