

Wheat Domestic Fundamentals:

As per trade sources, after increase in import duty to 30 percent imports have decreased substantially. India has imported 1000 tonnes of milling wheat from Pakistan at \$ 318.53 per tonne (Including import duty) in the month of September-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 per trade source, India has exported around 2.80 thousand tonnes in the month of September compared to 1.90 thousand tonnes in August. The quantity in September was exported at an average FOB of \$ 381.68 per tonne and the major destinations were Nepal, UAE, Sri Lanka and New Zealand. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

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, 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.

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 \$2-3 per tonne at Novorossiysk and \$0-1 per tonne at Odessa compared to last week. Wheat prices remained firm due to strong ruble and difficulty in receiving phytosanitary certificates. As per USDA, Russia is expected to produce 70.00 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 \$230.00-235.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$226.00-232.00/tonne.

Morocco will suspend import duty on wheat during from 01st November-31st December'18 and a duty of 30 percent will be applicable from 01st January'19. This step has been taken to increase supply and avoid price hikes in domestic market.

Ukraine has sown 6.43 million hectares of grain against expected area of 7.2 million hectares for harvest in 2019. Of the total sown area, 5.6 million hectares is winter wheat. Ukraine wheat production fell to 25.5 MMT in 2018-19 compared to 27.0 MMT in 2017-18.

Jordan has bought 60000 tonnes of hard milling wheat at \$257 per tonne cost and freight for delivery in second half of December. The tender closed on Wednesday and wheat can be sourced from optional origin. The seller was trading house CHS. One other companies, Ameropa offered wheat at \$266.70 per tonne.

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.

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

Wheat Futures Contact: NCDEX Price							Date: 23.10.2018 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	2034	2034	2015	2034	280	170	640	-30
18-Dec	6	2049	2070	2055	2055	40	40	40	40
19-Jan	0	2062	2062	2062	2062	0	0	0	0

Spread	Nov-18	Dec-18	Jan-19
Spot Narela			
18-Nov	9		
18-Dec		21	
19-Jan			7

Stocks	Demat	In-Process	Total	EDD
	22.Oct.18	22.Oct.18	22.Oct.18	22.Oct.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	973	0	973	973
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 23.10.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Oct-18	22-Oct-18	
Delhi	Lawrence Road	Mill Delivery	2050	2055	-5
	Narella	Mill Quality Loose	2025	2025	Unch
	Nazafgarh	Mill Quality Loose	1960	1970	-10
Gujarat	Rajkot	Mill Delivery	1950	1950	Unch
	Ahmedabad	Mill Delivery	2130	2130	Unch
	Surat	Mill Delivery	2160	2170	-10
	Dhrol	Mill Quality Loose	2060	2125	-65
M.P.	Indore	Mill Delivery	1950	NA	-
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1890	1850	40
		Mill Delivery	2020	2030	-10
U.P.	Kanpur	Mill Delivery	1945	1945	Unch
	Mathura	Mill Quality Loose	1800	1800	Unch
	Kosi	Mill Quality Loose	1880	1890	-10
	Hathras	Mill Quality Loose	1890	1890	Unch
	Aligarh	Mill Quality Loose	NR	1840	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1850	-10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1970	1960	10
	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	1900	1900	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
			23-Oct-18	22-Oct-18	
Gujarat	Rajkot	Lokwan	2170	2150	20
M.P.	Indore	Lokwan	2300	NA	-
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2900	2900	Unch
Rajasthan	Kota	Lokwan Bilty	2100	NA	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Oct-18	22-Oct-18	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	Narella	Mill Quality Loose	400	350	50
	Nazafgarh	Mill Quality Loose	50	150	-100
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	12.5	23	-11
M.P.	Indore	Mill Quality Loose	4000	NA	-
Rajasthan	Kota	Mill Quality	3000	12000	-9000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	100	600	-500
	Hathras	Mill Quality Loose	300	300	Unch
	Aligarh	Mill Quality Loose	NR	400	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	300	-200
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	400	800	-400

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

Wheat Products Delhi	23-Oct-18	22-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: 22.10.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	514.00	514.25	507.25	508.00	-6.75
19-Mar	533.00	533.75	526.50	527.50	-6.75
19-May	546.00	546.00	539.25	540.25	-6.75
19-Jul	552.00	552.00	545.75	546.50	-6.25
19-Sep	562.00	562.00	557.00	557.25	-5.25
19-Dec	575.25	577.00	571.25	572.25	-4.50

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