

Wheat Domestic Fundamentals:

All India average monthly prices for wheat increased by 0.37 percent from Rs 2033.99 in September -2018 to Rs 2041.48 per qtl in October-2018. Average price in October is higher by 8.83 percent compared to Rs 1875.80 per quintal registered in October -2017. Prices are expected to trade steady to firm due to good demand in domestic market and low imports.

Government has offered 28887160 tonnes of wheat in OMSS since July until third tender in October out of which 1855850 tonnes was sold. Total numbers of rakes sold were 29. State government and bulk consumers bought 289700 tonnes and 1489350 tonnes of wheat respectively. 76850 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 prices will be Rs 1925 per quintal and Rs 1950 per quintal respectively.

According to latest update, area sown until 02nd November'18 is 9.13 lakh hectares compared to 5.76 lakh hectares in the previous Rabi season. The normal area is 304.39 lakh hectares. Acreage is expected to be higher this Rabi season due to increase in MSP by Rs 105 per quintal for MY 2018-19.

Wheat prices remained unchanged due to steady demand and arrivals. Market is expected to trade steady to firm due to low imports and festive demand. Wheat mill delivery at Lawrence Road is likely to touch Rs 2090-2100 per quintal in coming weeks which is currently hovering around Rs 2050 per quintal.

As per trade sources imported wheat from various origins to Tuticorin port witnessed weak tone in the week. As of now Ukrainian wheat is being quoted at Rs 2175-2185 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 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.

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 per latest update, Ukrainian wheat exports are expected to be lower for 2018-19 due to lower production. During July- Oct'18 Ukraine exported 7.54 MMT of wheat compared to 8.07 MMT last year in the same period.

Russian milling wheat prices became weak by \$2-3per tonne at Novorossiysk and \$1-2 per tonne at Odessa compared to last week. Wheat prices were weak as share of Russian wheat in Egyptian tender was reduced due to purchase of American and Ukrainian wheat as well. 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 \$223.00-228.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$225.00-228.00/tonne.

Egypt's state grains buyer, GASC has purchased 470000 tonnes of wheat for shipment during 11-20 December. Of the total quantity 350000 tonnes was Russian wheat, 60000 tonnes was Ukrainian wheat and 60000 tonnes was U.S. wheat. ECTP offered 55000 tonnes of Russian wheat at FoB \$230.00 per tonne, GTCS offered 120000 tonnes of Russian wheat at FoB \$234.99 per tonne, Cargill offered 55000 tonnes of Russian wheat at FoB \$234.27 per tonne, Daewoo offered 60000 tonnes of Russian wheat at FoB \$234.99 per tonne, Aston offered 60000 tonnes of Russian wheat at FoB \$234.99 per tonne, Louis Dreyfus offered 60000 tonnes of Ukrainian wheat at FoB \$234.58 per tonne and Cargill offered 6000 tonnes of U.S. soft red wheat at FoB \$218.50 per 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.

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

Wheat Futures Contact: NCDEX Price							Date: 05.11.2018 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	-1	2032	2032	2028	2029	70	-80	460	-70
18-Dec	-3	2050	2050	2050	2050	10	-50	100	10
19-Jan	0	2076	2076	2076	2076	0	0	0	0

Spread	Nov-18	Dec-18	Jan-19
Spot Narela			
18-Nov	9		
18-Dec		21	
19-Jan			26

Stocks	Demat	In-Process	Total	EDD
	03.Nov.18	03.Nov.18	03.Nov.18	29.Oct.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	973	0	973	973
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 05.11.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Nov-18	3-Nov-18	
Delhi	Lawrence Road	Mill Delivery	2040	2045	-5
	Narella	Mill Quality Loose	2020	2020	Unch
	Nazafgarh	Mill Quality Loose	1970	1975	-5
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	Closed	1995	-
	Bhopal	Mill Quality Loose	Closed	1950	-
Rajasthan	Kota	Mill Quality Loose	Closed	1865	-
		Mill Delivery	Closed	2005	-
U.P.	Kanpur	Mill Delivery	1980	1980	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	1880	1870	10
	Hathras	Mill Quality Loose	1950	1990	-40
	Aligarh	Mill Quality Loose	1830	1835	-5
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1850	1865	-15
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1930	1940	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2480	-
	Madurai	Mill Quality	Closed	2537	-
	Coimbatore	Mill Quality	Closed	2537	-
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Nov-18	3-Nov-18	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	Closed	2300	-
	Bhopal	Lokwan	Closed	2100	-
	Bina	Sarbati 306	Closed	2900	-
Rajasthan	Kota	Lokwan Bilty	Closed	2100	-
	Baran	Lokwan	closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Nov-18	3-Nov-18	
Delhi	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	400	400	Unch
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	Closed	1500	-
Rajasthan	Kota	Mill Quality	Closed	3000	-
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	35	30	5
	Hathras	Mill Quality Loose	500	350	150
	Aligarh	Mill Quality Loose	400	250	150
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	800	500	300

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

Wheat Products Delhi	5-Nov-18	3-Nov-18	Change
Atta (50kg) Ordinary	1135	1135	Unch
Maida Grade 1 (50KG)	1200	1200	Unch
Suji (50kg)	1260	1260	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1190	1190	Unch
Chakki Atta (50kg) Special	1215	1215	Unch
Chakki Atta (90kg) Superfine	2205	2205	Unch
Chakki Atta (50kg) Superfine	1225	1225	Unch

Wheat (CBOT) Future Price: 02.11.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	507.00	509.75	502.75	508.75	0.75
19-Mar	521.50	524.50	517.75	524.00	1.25
19-May	533.25	536.25	529.25	535.75	1.50
19-Jul	540.75	543.25	535.75	542.75	2.25
19-Sep	552.75	554.50	550.50	554.00	0.75
19-Dec	570.75	571.25	565.25	569.25	-0.75

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