

Wheat Domestic Fundamentals:

According to latest update, area sown until 16th November'18 is 51.63 lakh hectares compared to 54.28 lakh hectares in the previous Rabi season. Sowing has started in all major wheat producing states. 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 WPI has increased from 149.8 in September-2018 to 151.1 in October-2018. Monthly wheat inflation has increased by 0.87 percent in October -2018 compared to previous month. As compared to October -2017 wheat WPI has increased by around 9.49 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

As per latest update, wheat stock in central pool as on 1st November'18 stood at 331.35 lakh tonnes down by 6.99% compared to last month. This quantity is higher by around 38.93% 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 November'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 future November contract closed at Rs 2048 per quintal after increasing by Rs 18 per quintal. Stock of imported wheat from Black sea region and Australia is negligible. Fresh import is also highly unlikely as wheat in domestic market is cheaper compared to wheat imported from Russia, Ukraine or Australia. Furthermore, ample stock is available with government as well as private trade to meet domestic demand. Prices are likely to stay firm in near future.

India mainly imports from Australia and Russia. Wheat prices remained steady to slightly weak in both the countries during last week. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$332 (Rs 24000) per tonne and \$358 (Rs 25930) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 23800-24000 per tonne and Rs 25000-25400 per tonne respectively.

All India weekly average prices decreased by 1.01 percent to Rs. 2040.39 per quintal during the week ended 08th November 2018. Wheat average price were ruling at Rs 2061.27 per quintal during 24-31 October 2018. As compared to prices in the week 01-08 November 2017, the prices are firm by 8.09 percent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

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.

Previous Updates:

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.

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 weak by \$1-3 per tonne at Novorossiysk and \$0-2 per tonne at Odessa compared to last week. Wheat prices were weak due to low export demand and increased competition among exporters. 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 \$223.00-227.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$222.00-226.00/tonne.

As per latest update, Japan's ministry of agriculture bought 121488 MT of food quality wheat from United States and Canada. Around 60728 MT has been bought from United States and 60760 MT of western red spring has been bought from Canada. Shipments from United States and Canada will be loaded between Dec 21-2018 and Jan 20-2019.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 16.11.2018 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	0	2100	2100	2100	2100	170	0	0	-50
18-Dec	+15	2090	2090	2090	2090	10	-100	280	0
19-Jan	0	2126	2126	2126	2126	0	0	0	0

Spread	Nov-18	Dec-18	Jan-19
Spot Narela			
18-Nov	100		
18-Dec		-10	
19-Jan			36

Stocks	Demat	In-Process	Total	EDD
	14.Nov.18	14.Nov.18	14.Nov.18	12.Nov.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	774	0	774	774
Baran	-	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Nov-18	16-Nov-18	
Delhi	Lawrence Road	Mill Delivery	2055	2055	Unch
	Narella	Mill Quality Loose	2040	2000	40
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2150	2150	Unch
	Surat	Mill Delivery	2190	2200	-10
	Dhrol	Mill Quality Loose	2270	2350	-80
M.P.	Indore	Mill Delivery	NA	NA	-
	Bhopal	Mill Quality Loose	2000	1950	50
Rajasthan	Kota	Mill Quality Loose	1925	1920	5
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	1980	1980	Unch
	Mathura	Mill Quality Loose	NA	1930	-
	Kosi	Mill Quality Loose	NA	NA	-
	Hathras	Mill Quality Loose	1920	NR	-
	Aligarh	Mill Quality Loose	1860	1800	60
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1860	1865	-5
	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	2325	2310	15
	Madurai	Mill Quality	2382	2367	15
	Coimbatore	Mill Quality	2382	2367	15
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2000	1975	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Nov-18	16-Nov-18	
Gujarat	Rajkot	Lokwan	2200	2200	Unch
M.P.	Indore	Lokwan	NA	NA	-
	Bhopal	Lokwan	2200	2100	100
	Bina	Sarbati 306	2925	2925	Unch
Rajasthan	Kota	Lokwan Bilty	2175	2150	25
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Nov-18	16-Nov-18	
Delhi	Lawrence Road	Mill Delivery	8000	7500	500
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Quality Loose	300	400	-100
	Dhrol	Mill Quality Loose	14	23	-9
M.P.	Indore	Mill Quality Loose	NA	NA	-
Rajasthan	Kota	Mill Quality	3000	1000	2000
U.P.	Kanpur	Mill Quality Loose	600	400	200
	Mathura	Mill Quality Loose	NA	60	-
	Kosi	Mill Quality Loose	NA	NA	-
	Hathras	Mill Quality Loose	200	NR	-

	Aligarh	Mill Quality Loose	100	400	-300
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	40	50	-10
	Bhiwani	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	17-Nov-18	16-Nov-18	Change
Atta (50kg) Ordinary	1145	1145	Unch
Maida Grade 1 (50KG)	1210	1210	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	920	920	Unch
Chokar (34 kg)	625	625	Unch
Chakki Atta (50kg)	1200	1200	Unch
Chakki Atta (50kg) Special	1225	1225	Unch
Chakki Atta (90kg) Superfine	2225	2225	Unch
Chakki Atta (50kg) Superfine	1235	1235	Unch

Wheat (CBOT) Future Price: 15.11.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	507.75	511.00	501.00	503.00	-4.75
19-Mar	516.50	521.25	510.50	512.00	-5.75
19-May	526.00	530.50	520.00	521.00	-5.50
19-Jul	535.25	540.00	529.75	530.25	-5.00
19-Sep	547.75	550.25	541.75	542.00	-5.25
19-Dec	562.50	566.25	557.25	557.50	-5.00

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