

Wheat Domestic Fundamentals:

All India weekly average prices increased by 3.60 percent to Rs. 2113.76 per quintal during the week ended 15th November 2018. Wheat average price were ruling at Rs 2040.39 per quintal during 01-08 November 2018. As compared to prices in the week 09-15 November 2017, the prices are firm by 11.20 percent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

According to latest update, area sown until 15th 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 306.26 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.

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.

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:

As per Russia's agriculture ministry, Russia is expected to export 34-35 MMT of wheat during 2018-19 compared to its previous forecast of 33-34 MMT. Total grain exports are expected to be around 38-39 MMT. Low production in Australia is one of the main reasons for increase in exports from Russia.

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 120226 MT of food quality wheat from United States, Australia and Canada. Around 50327 MT has been bought from United States, 35549 MT of western red spring has been bought from Canada and 34350 MT has been bought from Australia. 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 Contact: NCDEX Price							Date: 19.11.2018 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	2079	2079	2079	2079	0	0	50	0
18-Dec	+14	2070	2104	2070	2104	50	+40	280	0
19-Jan	0	2126	2126	2126	2126	0	0	0	0

Spread	Nov-18	Dec-18	Jan-19
Spot Narela			
18-Nov	39		
18-Dec		25	
19-Jan			22

Stocks	Demat	In-Process	Total	EDD
	17.Nov.18	17.Nov.18	17.Nov.18	12.Nov.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	774	0	774	774
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 19.11.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Nov-18	17-Nov-18	
Delhi	Lawrence Road	Mill Delivery	2055	2055	Unch
	Narella	Mill Quality Loose	2040	2040	Unch
	Nazafgarh	Mill Quality Loose	1950	NA	-
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2160	2150	10
	Surat	Mill Delivery	2200	2190	10
	Dhrol	Mill Quality Loose	2155	2270	-115
M.P.	Indore	Mill Delivery	NA	NA	-
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	1925	1925	Unch
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	1980	1980	Unch
	Mathura	Mill Quality Loose	1770	NA	-
	Kosi	Mill Quality Loose	1840	NA	-
	Hathras	Mill Quality Loose	1925	1920	5
	Aligarh	Mill Quality Loose	1800	1860	-60
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1865	1860	5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1940	1930	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2325	2325	Unch
	Madurai	Mill Quality	2382	2382	Unch
	Coimbatore	Mill Quality	2382	2382	Unch
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Wheat (CBOT) Future Price: 16.11.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	505.25	508.75	502.75	506.75	1.25
19-Mar	513.75	516.75	511.75	515.25	0.50
19-May	522.50	524.75	520.25	522.25	-0.75
19-Jul	531.25	533.00	529.00	530.75	-1.00
19-Sep	542.50	543.75	540.00	541.25	-1.00
19-Dec	556.75	558.00	555.00	555.75	-0.75

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