

Wheat Domestic Fundamentals:

Wheat prices closed in mixed sentiments. Some of sellers want to liquidate their profit at the current level as they are expecting further fall in the prices. Arrivals are recorded mostly on higher side. In India, traders are maintaining enough stocks to fulfill needs of buyers.

Farmers are likely to switch from Pulses to Wheat crop in expectation of better profit margin in this season. Madhya Pradesh, Chhattisgarh, Bihar reported lower sowing area as of now due to scanty rainfall. Wheat acreage is likely to go up in the northern region, mainly in Uttar Pradesh and Madhya Pradesh. Punjab and Haryana have finished over 95 % sowing area. Wheat crop germinates better in wintery conditions. Wheat sowing has been delayed due to late maturity of paddy in this season. Falling temperatures is favourable for wheat crop cultivation. On the other hand, drought in Australia may lower global Wheat crop size.

According to latest update, area sown until 30th November'18 is 152.97 lakh hectares compared to 156.76 lakh hectares in the previous Rabi season. It is down by 15.12% against previous week record and 2.42% down from last year record during the same period of time. 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. Major states of India like Punjab, Chhattisgarh, Uttarakhand and Karnataka reported higher wheat sowing area as 0.19 lakh Ha., 0.09 lakh Ha., 0.08 lakh Ha. and 0.06 lakh Ha. respectively. While, less area has been covered in main growing states of India like Uttar Pradesh (7.47 lakh ha.), Madhya Pradesh (6.76 lakh Ha.), Bihar (2.86 lakh Ha.), Haryana (2.86 lakh ha.).

All India weekly average prices declined by 0.039 percent to Rs. 2093.74 per quintal during the week ended 1-6 December 2018. Wheat average price were ruling at Rs 2094.57 per quintal during 23-29 November 2018. As compared to prices in the week 1-6 December 2017, the current week prices are firm by 16.80 percent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

As per trade source, India has exported around 5.09 thousand tonnes in the month of October compared to 2.80 thousand tonnes in September. The quantity in October was exported at an average FOB of \$ 315.91 per tonne and the major destinations were Nepal, UAE and Bahrain. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per trade sources, after increase in import duty to 30 percent imports have decreased substantially. India has imported no wheat in the month of October-2018. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 1000 tonnes in the month of September-2018.

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:

CBOT March soft red winter wheat contract are down consecutive last three days due to payment issue by the World's top wheat buyer Egypt. There were zero deliveries against MGEX December spring wheat futures.

As per sources, Russian shipped higher Wheat to 36.8 million tonnes in the first ten months of 2018 against 24.5 million tonnes in previous year. While, China sold 3,700 tonnes of 2013 imported wheat at auction of state reserves at an average price of 2,210 yuan (\$321.25) per tonne.

As per sources, Japan is likely to import 19,120 tonnes of feed quality wheat via a simultaneous buy and sell (SBS) auction. The ministry had sought 120,000 tonnes of feed wheat to be loaded by Feb. 8, 2019 and arrive in Japan by March 7 in the tender that is usually conducted weekly. The country is looking for same amount of feed wheat to import in upcoming auction which will be conducted on December 12, 2018.

As per the state and federal agricultural officials, farmer in Oklahoma have harvested less wheat crop by 70 Million bushel in the current year as compared to 99 million bushel in 2017 due to higher global supply, weak prices and the weather, another lucrative crop like cotton, soybean and corn. While, farmers harvested a record 136.5 million bushel in 2016. Wheat touched its highest crop size in major growing countries like U.S. Canada, France, Russia, Ukraine, Australia and Argentina as a result, demand and prices are remain down in the market.

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

Wheat Futures Contact: NCDEX Price							Date: 07.12.2018 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-Dec	+14.00	2105	2132	2105	2132	40	10	230	-30
19-Jan	-5.00	2140	2140	2132	2140	40	0	60	20
19-Feb	0.00	2180	2180	2180	2180	-	-	-	-

Spread	Dec-18	Jan-19	Feb-19
Spot Narela			
18-Dec	82		
19-Jan		8	
19-Feb			40

Stocks	Demat	In-Process	Total	EDD
	26.Nov.18	26.Nov.18	26.Nov.18	26.Nov.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	715	0	715	715
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 07.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Dec-18	6-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2070	2060	10
	Narella	Mill Quality Loose	2060	2050	10
	Nazafgarh	Mill Quality Loose	1980	2000	-20
Gujarat	Rajkot	Mill Delivery	2025	2020	5
	Ahmedabad	Mill Delivery	2175	2170	5
	Surat	Mill Delivery	2220	2210	10
	Dhrol	Mill Quality Loose	2310	2305	5
M.P.	Indore	Mill Delivery	Closed	2000	-
	Bhopal	Mill Quality Loose	Closed	1925	-
Rajasthan	Kota	Mill Quality Loose	Closed	1950	-
		Mill Delivery	Closed	2060	-
U.P.	Kanpur	Mill Delivery	2015	2015	Unch
	Mathura	Mill Quality Loose	1760	1780	-20
	Kosi	Mill Quality Loose	1920	1925	-5
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	1840	1840	Unch
Punjab	Khanna	Mill Quality Loose	1950	1930	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1875	1870	5
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1950	1950	Unch

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2350	-
	Madurai	Mill Quality	Closed	2407	-
	Coimbatore	Mill Quality	Closed	2407	-
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	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Dec-18	6-Dec-18	
Gujarat	Rajkot	Lokwan	2250	2250	Unch
M.P.	Indore	Lokwan	Closed	2350	-
	Bhopal	Lokwan	Closed	2100	-
	Bina	Sarbati 306	Closed	2900	-
Rajasthan	Kota	Lokwan Bilty	Closed	2150	-
	Baran	Lokwan	Closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Dec-18	6-Dec-18	
Delhi	Lawrence Road	Mill Delivery	6000	5000	1000
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	600	500	100
	Dhrol	Mill Quality Loose	6	8	-2
M.P.	Indore	Mill Quality Loose	Closed	1000	-
Rajasthan	Kota	Mill Quality	Closed	1500	-
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	80	50	30
	Kosi	Mill Quality Loose	26	25	1
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	250	250	Unch
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	70	-20
	Bhiwani	Mill Quality Loose	600	600	Unch
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	7-Dec-18	6-Dec-18	Change
Atta (50kg) Ordinary	1150	1150	Unch
Maida Grade 1 (50KG)	1230	1230	Unch
Suji (50kg)	1300	1300	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1250	1250	Unch
Chakki Atta (50kg) Special	1275	1275	Unch
Chakki Atta (90kg) Superfine	2315	2315	Unch
Chakki Atta (50kg) Superfine	1285	1285	Unch

Wheat (CBOT) Future Price: 06.12.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	510.00	510.00	499.50	505.25	-9.25
19-Mar	518.00	518.50	510.00	515.50	-2.50
19-May	523.25	523.75	516.25	521.00	-2.25
19-Jul	527.50	528.75	521.75	525.50	-2.25
19-Sep	536.00	537.00	530.75	534.00	-2.00
19-Dec	548.75	549.50	543.75	546.75	-2.00

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