

Wheat Domestic Fundamentals:

Wheat Cash market witnessed steady to weak tone today amid lacklustre trading activities. Narella spot prices in Delhi are remain at Rs. 2060 per quintal. However, recent fall in Rupees against USD may attract Indian exporters in the market which may support Wheat prices to rise in coming days.

According to latest updates of ministry, area sown until 7th December '18 is 194.49 lakh hectares compared to 190.90 lakh hectares in the previous Rabi season. It is down by 10.76% against previous week record however, 1.88% higher 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 wheat growing states of India as Madhya Pradesh, Punjab, Chhattisgarh, Assam have reported higher sowing area followed by 1.58 lakh Ha., 0.15 lakh Ha., 0.12 lakh Ha. and 0.03 lakh Ha. respectively. While, less area has been covered in main growing states of India as Uttar Pradesh (11.25 lakh Ha.) Bihar (3.98 lakh Ha.) Gujarat (2.77 lakh Ha.) Maharashtra (2.44 lakh Ha.) so far.

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.

Indian FoB quote is hovering down at \$309.62 per tonne. While, it is high in Russia, US, Australia and France at \$224.50, \$226.40.28, \$245.28 and \$229.08 per tonne respectively as compared to previous year record during the same period of time. There is little hope for recovery at export front this year. However, India is expected to import around 0.3 million tonnes in MY 2018-19.

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.

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.

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. The normal area is 306.29 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.

International Market Update:

As per recent updates, Wheat export prices went up by 3% in Russia supported by higher U.S export sales and good demand from Egypt. Egypt's state grain buyer GASC set a deal to buy 290,000 tonnes of Russian. Russia had shipped 9% higher grain at 24.6 million tonnes since the start of the 2018/19 season on July 1, which include 20.9 million tonnes of wheat.

U.S. export sales for Wheat soft red winter shows 89% higher to 711,800 metric tonnes for the period of 23 to 29 November 2018 against previous year record. The figure is also high 58 percent from the prior four-week average. Egypt and Mexico were the major bulk buyers.

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 supported by exports demand.

Wheat Futures Contact: NCDEX Price							Date: 10.12.2018 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	2135	2135	2132	2133	80	40	160	-70
19-Jan	-40	2137	2125	2086	2097	140	100	100	40
19-Feb	0.00	2180	2180	2180	2180	-	-	-	-

Spread	Dec-18	Jan-19	Feb-19
Spot Narela			
18-Dec	73		
19-Jan		-36	
19-Feb			83

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 10.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Dec-18	8-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2070	2070	Unch
	Narella	Mill Quality Loose	2060	2060	Unch
	Nazafgarh	Mill Quality Loose	2000	2000	Unch
Gujarat	Rajkot	Mill Delivery	2010	2020	-10
	Ahmedabad	Mill Delivery	2160	2170	-10
	Surat	Mill Delivery	2210	2210	Unch
	Dhrol	Mill Quality Loose	2160	2240	-80
M.P.	Indore	Mill Delivery	2020	2020	Unch
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2025	2015	10
	Mathura	Mill Quality Loose	1760	1760	Unch
	Kosi	Mill Quality Loose	1900	1920	-20
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	Closed	NR	-
Punjab	Khanna	Mill Quality Loose	1930	1935	-5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1870	1875	-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	2350	2350	Unch
	Madurai	Mill Quality	2407	2407	Unch
	Coimbatore	Mill Quality	2407	2407	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	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Dec-18	8-Dec-18	
Gujarat	Rajkot	Lokwan	2175	2250	-75
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2900	2900	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Dec-18	8-Dec-18	
Delhi	Lawrence Road	Mill Delivery	5500	6000	-500
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	50	20	30
Gujarat	Rajkot	Mill Quality Loose	400	400	Unch
	Dhrol	Mill Quality Loose	24	25	-1
M.P.	Indore	Mill Quality Loose	1500	1200	300
Rajasthan	Kota	Mill Quality	1500	1500	Unch
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	80	80	Unch
	Kosi	Mill Quality Loose	22	26	-4
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	Closed	NR	-
Punjab	Khanna	Mill Quality Loose	500	700	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	40	60	-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	10-Dec-18	8-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: 07.12.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	505.25	519.50	505.25	519.50	14.25
19-Mar	517.00	532.00	515.25	531.25	15.75
19-May	522.25	536.75	521.00	536.00	15.00
19-Jul	527.25	540.75	525.75	540.00	14.50
19-Sep	534.75	548.75	534.75	548.25	14.25
19-Dec	548.50	561.25	548.50	560.75	14.00

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