

Wheat Domestic Fundamentals:

Mixed trend are seen in today cash market due to ups and downs in demand. Wheat prices in Indore declined to 1900 Rs. per quintal against 2020 Rs. per quintal of previous day closing price on lower demand. Arrivals for mills quality loose are also down at 800 bags in Indore market today. Wheat prices in cash market may decline from the current level due to weak global demand. Stockiest maintain ample wheat stocks for delivery in the market so far.

Indian FoB quote is ruling down at \$300.99 per tonne on 10th December 2018 as compared to 309.88 per tonne in previous week. While, it is high in USA (Chicago), France, Australia and Russia at \$224.20, \$231.32, \$248.20 and \$225 per tonne respectively as compared to previous week record. 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.

According to latest update 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.

As per local traders, 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 favorable for wheat crop cultivation. On the other hand, drought in Australia may lower global Wheat crop size.

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 sources, food corporation in Kazakhstan shipped over 400,000 tonne of Wheat in January to November 2018. It exported 145,100 tonnes of wheat to the Caucasus, 126,400 tonnes of wheat to Central Asia and 19,000 tonnes of wheat.

As per Reuter, France may cover 3.5% higher winter soft wheat area for the 2019 at 5.03 million hectares against last year record due to draught hit sowing season.

Ministry of Agriculture in Japan may proceed to purchase a total of 137,657 tonnes of food-quality wheat from the United States, Canada and Australia in a regular tender that will close late on Thursday (13th December 2018) Japan, the world's sixth-biggest wheat importer, keeps a tight grip on imports of the country's second-most important staple after rice and buys the majority of the grain for milling via tenders typically issued three times a month.

As per USDA recent report, U.S. export sales for Wheat soft red winter reported 89% higher to 711,800 metric tonnes for the period of 23 to 29 November 2018 against previous week record. The figure is also high 58 percent from the prior four-week average. Egypt and Mexico were the major bulk buyers. Egypt, Mexico, Thailand, South Korea and Venezuela bought higher volume of wheat to 120,000 MT, 118,100 MT, 109,100 MT, 87,700 MT and 60,000 MT respectively. Reductions were primarily for Japan (16,100 MT). The destinations were primarily to Vietnam (67,400 MT), Guatemala (65,100 MT), the Philippines (51,800 MT), Mexico (51,700 MT), and Iraq (50,100 MT).

Outlook: Cash market is likely to trade steady to weak in the near term on lower global demand.

Wheat Futures Contact: NCDEX Price							Date: 11.12.2018 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	+1.00	2135	2135	2135	2135	70	-10	90	-70
19-Jan	+2.00	2100	2100	2090	2100	120	-20	220	-20
19-Feb	0.00	2180	2180	2180	2180				

Spread	Dec-18	Jan-19	Feb-19
Spot Narela			
18-Dec	75		
19-Jan		-45	
19-Feb			90

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 11.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Dec-18	10-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	2000	2010	-10
	Ahmedabad	Mill Delivery	2150	2160	-10
	Surat	Mill Delivery	2200	2210	-10
	Dhrol	Mill Quality Loose	2235	2160	75
M.P.	Indore	Mill Delivery	1900	2020	-120
	Bhopal	Mill Quality Loose	Closed	1925	-
Rajasthan	Kota	Mill Quality Loose	1960	1950	10
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2025	2025	Unch
	Mathura	Mill Quality Loose	1780	1760	20
	Kosi	Mill Quality Loose	1940	1900	40
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	1840	Closed	-
Punjab	Khanna	Mill Quality Loose	1935	1930	5
	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	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
			11-Dec-18	10-Dec-18	
Gujarat	Rajkot	Lokwan	2150	2175	-25
M.P.	Indore	Lokwan	2300	2350	-50
	Bhopal	Lokwan	Closed	2100	-
	Bina	Sarbati 306	2925	2900	25
Rajasthan	Kota	Lokwan Bilty	2200	2150	50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Dec-18	10-Dec-18	
Delhi	Lawrence Road	Mill Delivery	5500	5500	Unch
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	400	400	Unch
	Dhrol	Mill Quality Loose	20	24	-4
M.P.	Indore	Mill Quality Loose	800	1500	-700
Rajasthan	Kota	Mill Quality	2500	1500	1000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	450	800	-350
	Kosi	Mill Quality Loose	140	220	-80
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	400	Closed	-
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	40	10
	Bhiwani	Mill Quality Loose	300	600	-300
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	11-Dec-18	10-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: 10.12.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	522.75	522.75	514.75	514.75	-4.75
19-Mar	529.75	531.00	524.50	525.25	-6.00
19-May	535.25	535.75	530.75	531.50	-4.50
19-Jul	540.00	540.00	535.50	537.25	-2.75
19-Sep	547.00	547.75	544.25	545.75	-2.50
19-Dec	558.00	558.50	556.75	558.50	-2.25

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