

Wheat Domestic Fundamentals:

Steady to firm tone featured in cash markets today amid lower supplies against demand. Few stockiest are still holding their stocks in expectation of further rise in prices. There is enough stocks with traders to deliver in the market.

All India weekly average prices were lower by 0.79 percent to Rs. 2077.17 per quintal during the week ended 1-8 December 2018. Wheat average price were ruling at Rs 2093.77 per quintal during 24-30 November 2018. As compared to prices in the week 1-8 December 2017, the current week prices are firm by 15.87 percent.

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.

International Market Update:

Chicago Board of Trade (CBOT) wheat futures closed lower on Wednesday after higher ending stocks projection of U.S. Wheat for 2018/19. According to USDA report, U.S. wheat inventories were placed higher to 974 million bushels, as compared to 949 million last month during 2018/19 marketing year.

As per Reuters, Trade Ministry of Iraq bought 50,000 tonnes of Wheat from U.S. in an international tender at the rate \$ 320 a tonne C&F liner out. The tender is closed on last week.

According to the recent USDA report, total shipment of U.S wheat are lowered by 25 million bushels to 1.0 billion with all of the reduction in Hard Red Winter (HRW) on historically low exports for this class in the first half of the 2018/19 marketing year (MY) due to rising exports demand of Hard Red Spring and Soft Red Winter. The projection of ending stocks are increased by 25 million bushels to 974 million however it is still lower by 11 percent from previous year record. The projected season-average farm price is up \$0.05 per bushel at the midpoint with the range narrowed to \$5.05 to \$5.25. Wheat supplies of the world are increased 0.8 million tons followed by higher Russian carrying stocks and a larger Canadian crop more than offset a reduction in Australian production. According to the recent ABARES estimate, Australia's production is lowered by 500,000 tons to 17.0 million which is the lowest Australian wheat production estimates since 2007/08. Wheat crop size of Canada is raised by 300,000 tons to 31.8 million.

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: 12.12.2018 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	Unch	2135	2135	2135	2135	70	Unch	20	Unch
19-Jan	Unch	-	2100	2090	2090	10	-110		
19-Feb	Unch	2180	2180	2180	2180		-	-	

Spread	Dec-18	Jan-19	Feb-19
Spot Narela			
18-Dec	65		
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 12.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Dec-18	11-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2070	2070	Unch
	Narela	Mill Quality Loose	Closed	2060	-
	Nazafgarh	Mill Quality Loose	Closed	2000	-
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2140	2150	-10
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	2335	2235	100
M.P.	Indore	Mill Delivery	1900	1900	Unch
	Bhopal	Mill Quality Loose	1930	Closed	-
Rajasthan	Kota	Mill Quality Loose	1960	1960	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2025	2025	Unch
	Mathura	Mill Quality Loose	1840	1780	60
	Kosi	Mill Quality Loose	1920	1940	-20
	Hathras	Mill Quality Loose	1935	NR	-
	Aligarh	Mill Quality Loose	Closed	1840	-
Punjab	Khanna	Mill Quality Loose	1960	1935	25
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1980	1950	30
	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
			12-Dec-18	11-Dec-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2150	Closed	-
	Bina	Sarbati 306	Closed	2925	-
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Dec-18	11-Dec-18	
Delhi	Lawrence Road	Mill Delivery	6500	5500	1000
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	300	400	-100
	Dhrol	Mill Quality Loose	16	20	-4
M.P.	Indore	Mill Quality Loose	500	800	-300
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	470	450	20
	Kosi	Mill Quality Loose	220	140	80
	Hathras	Mill Quality Loose	NA	NR	-
	Aligarh	Mill Quality Loose	Closed	400	-
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	300	100

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	12-Dec-18	11-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: 11.12.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	511.00	511.00	509.75	509.75	-5.00
19-Mar	525.00	529.00	517.50	521.00	-4.25
19-May	531.25	534.75	524.25	528.50	-3.00
19-Jul	536.75	540.25	531.25	536.00	-1.25
19-Sep	544.00	548.00	540.00	545.00	-0.75
19-Dec	556.25	560.75	553.75	557.50	-1.00

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