

Wheat Domestic Fundamentals:

Wheat prices closed in cash markets today as ups and downs in demand. In Gujarat market, prices are firm due to lower arrivals. Traders don't want to release their stocks at current market price in expectation of rise in prices in upcoming days. They have sufficient amount of wheat stocks to sell in the market in coming days.

All India weekly average prices inched up by 1.16 percent to Rs. 2106.32 per quintal during the week ended 9-13 December 2018 supported by a significant level of price rise in Gujarat, Karnataka, Maharashtra, Odisha, Uttar Pradesh and West Bengal. Wheat average price in India were hovering at Rs 2082.14 per quintal during 1-6 December 2018. As compared to prices in the week 9-13 December 2017, the current week prices are firm by 18.70 percent. Higher exports demand against less supplies may support Wheat prices to go up in domestic market. Traders may hold their stocks in expectation of higher profit margin.

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 sowing area of this season. 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 increased on lower crop size projections for Australia. However, higher ending stocks forecast will limit global wheat prices rise in future.

According to the recent forecast of the Australian Government Department of Agriculture and Water

Resources (ABARES), Australia is likely to harvest lower wheat crop size by 20.2% to 16.95 Million mt. in 2018/19 on account of drought and weather concerns in eastern Australia earlier this year. It places the projection of wheat export down by 31.5% year-on-year to 10.62 million mt.

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. The tender is closed on last week. Iraq needs an annual wheat supply of between 4.5 million and five million tonnes, and has an import gap of around two million tonnes a year.

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.

Outlook: Cash market is likely to trade steady to firm in the near term on good exports demand.

Wheat Futures Contact: NCDEX Price							Date: 13.12.2018 at 5:00 PM		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Jan	-1	2118	2119	2100	2105	280	210	440	420
19-Feb	Unch	2180	2180	2180	2180	-	-	-	-
19-Mar	Unch	2215	2215	2215	2215	-	-	-	-

Spread	Dec-18	Jan-19	Feb-19
Spot Narela			
18-Dec	45		
19-Jan		75	
19-Feb			35

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 13.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Dec-18	12-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2080	2070	10
	Narella	Mill Quality Loose	2060	Closed	-
	Nazafgarh	Mill Quality Loose	1990	Closed	-
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2160	2140	20
	Surat	Mill Delivery	2210	2200	10
	Dhrol	Mill Quality Loose	2210	2335	-125
M.P.	Indore	Mill Delivery	1950	1900	50
	Bhopal	Mill Quality Loose	1930	1930	Unch
Rajasthan	Kota	Mill Quality Loose	1950	1960	-10
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2025	2025	Unch
	Mathura	Mill Quality Loose	1875	1840	35
	Kosi	Mill Quality Loose	1975	1920	55
	Hathras	Mill Quality Loose	1930	1935	-5
	Aligarh	Mill Quality Loose	1830	Closed	-
Punjab	Khanna	Mill Quality Loose	1950	1960	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1970	1980	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2340	2350	-10
	Madurai	Mill Quality	2397	2407	-10
	Coimbatore	Mill Quality	2397	2407	-10
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
			13-Dec-18	12-Dec-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2150	2150	Unch
	Bina	Sarbati 306	2925	Closed	-
Rajasthan	Kota	LokwanBilty	2150	2200	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Dec-18	12-Dec-18	
Delhi	Lawrence Road	Mill Delivery	5500	6500	-1000
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	500	300	200
	Dhrol	Mill Quality Loose	13	16	-3
M.P.	Indore	Mill Quality Loose	1500	500	1000
Rajasthan	Kota	Mill Quality	1500	2500	-1000
U.P.	Kanpur	Mill Quality Loose	450	400	50
	Mathura	Mill Quality Loose	3000	470	2530
	Kosi	Mill Quality Loose	150	220	-70
	Hathras	Mill Quality Loose	85	NA	-
	Aligarh	Mill Quality Loose	400	Closed	-
Punjab	Khanna	Mill Quality Loose	400	500	-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	400	Unch

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

Wheat Products Delhi	13-Dec-18	12-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: 12.12.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	520.75	520.75	515.25	515.25	5.50
19-Mar	522.00	528.75	521.75	526.50	5.50
19-May	529.50	535.25	529.25	532.25	3.75
19-Jul	536.25	541.50	536.25	538.75	2.75
19-Sep	545.75	549.25	545.50	546.25	1.25
19-Dec	559.50	561.50	557.50	558.00	0.50

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