

Wheat Domestic Fundamentals:

Mixed trend featured in Wheat spot markets today after ups and downs in demand. Arrivals are comparatively slow in the market as farmers are holding their stocks in expectation of better prices. Rajasthan market prices are remain at 1950 per quintal as previous day. There is enough stockpiles with the traders so far.

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.

Indian FOB quote is hovering down at \$302.67 per tonne on 13th December 2018 as compared to 309.62 per tonne in previous week. While, it is high in USA (Chicago), France, Australia and Russia at \$235.10, \$250.39, \$250.39 and \$226 per tonne respectively against last week record. The FOB prices are high from its previous year prices in the corresponding period of time. Therefore, we expect to improve export demand this year.

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:

As per sources, total wheat harvest is estimated at 70 million tonnes this year on measured clean weight which is the weight after drying and cleaning.

Egypt bought higher quantity of Romanian and Russian wheat at 180,000 metric tons for early February arrival on the average price of 242 U.S. dollars per metric ton, which is high from 237 dollars for the tender last week. It has also bought 120,000 metric tons from U.S. suppliers last week. Strong demand and increasing world prices played a major role to rise the futures prices so far to the highest level since September 2018.

As per WASDE recent report of December month, EU is likely to produce around 137.60 MMT in 2018-19 compared to 151.26 MMT in 2017-18. Russia and Ukraine are likely to harvest 70 MMT and 25 MMT of wheat in 2018-19 respectively. Production in US is likely to be around 51.3 MMT compared to last year's 51.29 MMT. Australia is likely to produce 17 MMT in 2018-19 compared to 21.30 MMT in 2017-18. Argentina is expecting to harvest around 19.50 MMT in 2018-19 compared to 18.5 MMT in 2017-18. Furthermore, Canada is likely to harvest around 31.80 MMT in 2018-19 compared to 29.98 MMT in 2017-18.

Outlook: Cash market is likely to trade steady to firm in the near term on improved local millers demand.

Wheat Futures Contact: NCDEX Price							Date: 15.12.2018 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	+14	2111	2127	2111	2116	90	10	460	Unch
19-Feb	Unch	2180	2180	2180	2180	-	-	-	-
19-Mar	Unch	2215	2215	2215	2215	-	-	-	-

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	56		
19-Feb		64	
19-Mar			35

Stocks	Demat	In-Process	Total	EDD
	14.Dec.18	14.Dec.18	14.Dec.18	26.Nov.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 15.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Dec-18	14-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2080	2070	10
	Narella	Mill Quality Loose	2060	2060	Unch
	Nazafgarh	Mill Quality Loose	2000	2000	Unch
Gujarat	Rajkot	Mill Delivery	2010	2005	5
	Ahmedabad	Mill Delivery	2170	2170	Unch
	Surat	Mill Delivery	2210	2210	Unch
	Dhrol	Mill Quality Loose	2130	2255	-125
M.P.	Indore	Mill Delivery	2000	2020	-20
	Bhopal	Mill Quality Loose	1925	1920	5
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2050	2025	25
	Mathura	Mill Quality Loose	1875	1875	Unch
	Kosi	Mill Quality Loose	1950	1970	-20
	Hathras	Mill Quality Loose	1940	1935	5
	Aligarh	Mill Quality Loose	1840	1840	Unch
Punjab	Khanna	Mill Quality Loose	1930	1960	-30
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1890	1875	15
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1960	1970	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2340	2340	Unch
	Madurai	Mill Quality	2397	2397	Unch
	Coimbatore	Mill Quality	2397	2397	Unch
Bihar	Khagariya	Mill Delivery	2100	2000	100
	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
			15-Dec-18	14-Dec-18	
Gujarat	Rajkot	Lokwan	2200	2160	40
M.P.	Indore	Lokwan	2250	2300	-50
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2925	2925	Unch
Rajasthan	Kota	LokwanBilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Dec-18	14-Dec-18	
Delhi	Lawrence Road	Mill Delivery	4500	7000	-2500
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	75	100	-25
Gujarat	Rajkot	Mill Quality Loose	500	400	100
	Dhrol	Mill Quality Loose	2	12	-10
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	3000	1500	1500
U.P.	Kanpur	Mill Quality Loose	500	450	50
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	300	150	150
	Hathras	Mill Quality Loose	150	85	65
	Aligarh	Mill Quality Loose	200	250	-50
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	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	15-Dec-18	14-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: 14.12.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	536.00	538.00	527.75	530.00	-6.00
19-Mar	542.00	543.25	534.50	536.50	-5.25
19-May	546.75	548.75	540.75	542.75	-4.75
19-Jul	554.00	555.25	548.00	549.75	-4.75
19-Sep	565.50	566.25	559.25	560.75	-5.00
19-Dec	573.50	573.75	568.25	568.50	-5.25

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