

Wheat Domestic Fundamentals:

As per trade source, India has exported around 2.73 thousand tonnes in the month of November compared to 5.09 thousand tonnes in October. The quantity in November was exported at an average FOB of \$ 416.11 per tonne and the major destinations were Nepal, Sri Lanka and Somalia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per latest update, wheat stock in central pool as on 1st December'18 stood at 306.29 lakh tonnes down by 7.56% compared to last month. This quantity is higher by around 41.38% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st December'18 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

Wheat WPI has increased from 151.1 in October-2018 to 152.2 in November-2018. Monthly wheat inflation has increased by 0.73 percent in November -2018 compared to previous month. As compared to November -2017 wheat WPI has increased by around 9.18 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

According to latest update, area sown until 14th December'18 is 233.71 lakh hectares compared to 233.59 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.

All India weekly average prices increased by 1.17 percent to Rs. 2106.32 per quintal during the week ended 15th December 2018. Wheat average price were ruling at Rs 2081.95 per quintal during 01-08 December 2018. As compared to prices in the week 09-15 December 2017, the prices are firm by 18.70 percent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

India mainly imports from Australia and Russia. Wheat prices remained steady in Australia during last week. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$339.00 (Rs 24310) per tonne and \$354.00 (Rs 25390) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Therefore, there is no import parity as of now from black sea region and Australia.

Indian FoB quote is hovering around \$301.30 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$224.50, \$224.50, Euro 204.19, \$225.38 and \$248.75 per tonne respectively. 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.

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 latest update, Japan's ministry of agriculture bought 106100 MT of food quality wheat from United States and Canada. Around 71040 MT has been bought from United States and 35060 MT of western red spring has been bought from Canada. Shipments from United States and Canada will be loaded between Jan 16-2019 and Feb 15-2019.

Egypt's state grains buyer, GASC has purchased 180000 tonnes of wheat for shipment during 01-10 February. Of the total quantity 120000 tonnes was Russian wheat and 60000 tonnes was Romanian wheat. ADM offered 60000 tonnes of Romanian wheat at FoB \$241.26 per tonne, ADM offered 60000 tonnes of Russian wheat at FoB \$242.00 per tonne and Agro Industrial offered 60000 tonnes of Russian wheat at FoB \$242.80 per tonne

Russia has exported 20.74 MMT of wheat during July-November'18. Russia is expected to export 2.8 MMT of wheat in December-18. Export prices for Russian wheat are expected to stay slightly firm in near future due to exhausting stocks at ports, problems in grain transportation and obtaining phytosanitary certificate.

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 demand.

Wheat Futures Contact: NCDEX Price							Date: 20.12.2018 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	34	2149	2164	2143	2145	100	90	450	10
19-Feb	0	2180	2180	2180	2180	0	0	0	0
19-Mar	0	2215	2215	2215	2215	0	0	0	0

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	115		
19-Feb		35	
19-Mar			35

Stocks	Demat	In-Process	Total	EDD
	19.Dec.18	19.Dec.18	19.Dec.18	17.Dec.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 20.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Dec-18	19-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2080	2080	Unch
	Narella	Mill Quality Loose	2030	Closed	-
	Nazafgarh	Mill Quality Loose	2000	Closed	-
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2150	2160	-10
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	2300	2265	35
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1940	1925	15
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2050	2050	Unch
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	NA	1990	-
	Hathras	Mill Quality Loose	1940	1900	40
	Aligarh	Mill Quality Loose	1850	Closed	-
Punjab	Khanna	Mill Quality Loose	1940	1950	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1890	1890	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2000	2025	-25
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2370	2370	Unch
	Madurai	Mill Quality	2427	2427	Unch
	Coimbatore	Mill Quality	2427	2427	Unch
Bihar	Khagariya	Mill Delivery	2050	2050	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
			20-Dec-18	19-Dec-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2950	Closed	-
Rajasthan	Kota	Lokwan Bilty	2175	2175	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Dec-18	19-Dec-18	
Delhi	Lawrence Road	Mill Delivery	6000	6500	-500
	Narella	Mill Quality Loose	500	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	21	15	6
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	2000	3500	-1500
	Kosi	Mill Quality Loose	NA	200	-
	Hathras	Mill Quality Loose	85	50	35
	Aligarh	Mill Quality Loose	150	Closed	-
Punjab	Khanna	Mill Quality Loose	700	500	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	50	60	-10
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	20-Dec-18	19-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: 19.12.2018					
Contract Month	Open	High	Low	Close	Change
19-Mar	532.75	533.00	521.50	522.50	-10.25
19-May	539.25	539.25	529.00	529.75	-9.50
19-Jul	545.75	545.75	536.00	537.00	-8.75
19-Sep	551.25	551.25	543.75	544.75	-8.25
19-Dec	562.75	562.75	556.00	557.50	-7.00
20-Mar	567.50	568.50	565.25	566.75	-6.25

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