

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 0.88 percent to Rs. 2087.77 per quintal during the week ended 23rd December 2018. Wheat average price were ruling at Rs 2106.32 per quintal during 09-15 December 2018. As compared to prices in the week 16-23 December 2017, the prices are firm by 13.79 percent. Prices are expected to remain firm in coming days due to good domestic demand and low imports.

According to latest update, area sown until 21st December'18 is 253.52 lakh hectares compared to 257.47 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.

As per trade sources, after increase in import duty to 30 percent imports have decreased substantially. India has imported no wheat in the month of November-2018. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 1000 tonnes in the month of September-2018.

India mainly imports from Australia and Russia. Wheat prices were firm in Australia and Russia during last week. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$351.00 (Rs 24620) per tonne and \$381.87 (Rs 26780) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Furthermore mill quality wheat at Chennai and Coimbatore are hovering around Rs 2370 per quintal and Rs 2430 per quintal respectively. Therefore, there is no import parity as of now from black sea region and Australia

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.

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:

Russian milling wheat prices became firm by \$9 per tonne at Novorossiysk and \$8 per tonne at Odessa compared to last week. Wheat prices were firm due to unfavorable weather in Argentina and low export potential. As per IGC, Russia is expected to produce 69.50 MMT in 2018 compared to 84.90 MMT in 2017. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$235.00-241.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$232.00-238.00/tonne.

Egypt's state grains buyer, GASC has purchased 120000 tonnes of wheat for shipment during 01-10 February. Of the total quantity 60000 tonnes was Romanian wheat and 60000 tonnes was Ukrainian wheat. Louis Dreyfus offered 60000 tonnes of Ukrainian wheat at FoB \$246.40 per tonne and CHS offered 60000 tonnes of Romanian wheat at FoB \$248.75 per tonne.

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.

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.

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

Wheat Futures Contact: NCDEX Price							Date: 21.12.2018 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	-9	2162	2162	2131	2142	40	-60	440	-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	102		
19-Feb		38	
19-Mar			35

Stocks	Demat	In-Process	Total	EDD
	21.Dec.18	21.Dec.18	21.Dec.18	17.Dec.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 22.12.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Dec-18	21-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2080	2080	Unch
	Narella	Mill Quality Loose	2040	2035	5
	Nazafgarh	Mill Quality Loose	2000	2000	Unch
Gujarat	Rajkot	Mill Delivery	2010	2005	5
	Ahmedabad	Mill Delivery	2160	2160	Unch
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	2135	1980	155
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1940	1950	-10
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	1950	1910	40
	Kosi	Mill Quality Loose	1980	1975	5
	Hathras	Mill Quality Loose	1940	1940	Unch
	Aligarh	Mill Quality Loose	1910	1850	60
Punjab	Khanna	Mill Quality Loose	1920	1930	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1890	1890	Unch
	Hodal	Mill Delivery	2050	NA	-

	Bhiwani	Mill Quality Loose	1970	2025	-55
	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	2100	2100	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
			22-Dec-18	21-Dec-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2950	2950	Unch
Rajasthan	Kota	Lokwan Bilty	2175	2175	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Dec-18	21-Dec-18	
Delhi	Lawrence Road	Mill Delivery	8000	6500	1500
	Narella	Mill Quality Loose	300	400	-100
	Nazafgarh	Mill Quality Loose	50	150	-100
Gujarat	Rajkot	Mill Quality Loose	400	400	Unch
	Dhrol	Mill Quality Loose	6	9	-3
M.P.	Indore	Mill Quality Loose	1000	1500	-500
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	280	300	-20
	Hathras	Mill Quality Loose	85	85	Unch
	Aligarh	Mill Quality Loose	600	200	400
Punjab	Khanna	Mill Quality Loose	500	400	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	80	-30
	Bhiwani	Mill Quality Loose	200	600	-400

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

Wheat Products Delhi	22-Dec-18	21-Dec-18	Change
Atta (50kg) Ordinary	1135	1150	-15
Maida Grade 1 (50KG)	1215	1230	-15
Suji (50kg)	1290	1300	-10
Chokar (50 kg)	915	925	-10
Chokar (34 kg)	620	630	-10
Chakki Atta (50kg)	1240	1250	-10
Chakki Atta (50kg) Special	1265	1275	-10
Chakki Atta (90kg) Superfine	2300	2315	-15
Chakki Atta (50kg) Superfine	1270	1285	-15

Wheat (CBOT) Future Price: 21.12.2018					
Contract Month	Open	High	Low	Close	Change
19-Mar	522.00	524.00	512.25	514.00	-9.50
19-May	529.50	531.50	520.25	521.25	-9.75
19-Jul	536.00	538.25	527.50	528.75	-9.50
19-Sep	545.50	545.50	536.25	537.25	-8.75
19-Dec	558.50	559.00	549.25	551.25	-8.25
20-Mar	564.25	564.25	559.75	561.75	-8.00

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.