

Wheat Domestic Fundamentals:

Bangladesh's state grains buyer issued a tender to import 50 KMT of milling wheat with a deadline on Jan 08 and shipment within 40 days of signing the deal. Offers to be valid until Jan 17. As a reminder, within Dec 04 tender, Bangladesh bought 50 KMT of wheat from Aston @ \$284.05/MT C&F liner out. Bangladesh imported 5.8 MMT of wheat in the year to June 2017, making it one of the world's biggest importers of the grain.

Government has offered 6912900 tonnes of wheat in OMSS since July until third tender in December out of which 4129200 tonnes was sold. Total numbers of rakes sold were 181. State government and bulk consumers bought 481500 tonnes and 3504600 tonnes of wheat respectively. 143100 tonnes was sold in dedicated movement. Government will sell wheat in open market at a reserve price of Rs 1900 per quintal in the second quarter i.e. July-September. For third and fourth quarter prices will be Rs 1925 per quintal and Rs 1950 per quintal respectively.

In past days, minimum as well as maximum temperature has dropped below normal in Punjab and Haryana. The fall in temperature will boost the growth of shoots, which will lead to an increase in yield. Low temperature will help to retain soil moisture, which otherwise would have adversely impacted the crop due to absence of rain.

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.

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.

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: 27.12.2018 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	2128	2122	2097	2119	120	90	420	-20
19-Feb	0	2164	2165	2161	2164	0	-50	50	0
19-Mar	0	2200	2200	2200	2200	0	0	0	0

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	94		
19-Feb		45	
19-Mar			36

Stocks	Demat	In-Process	Total	EDD
	24.Dec.18	24.Dec.18	24.Dec.18	24.Dec.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 27.11.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Dec-18	26-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2085	2080	5
	Narella	Mill Quality Loose	2050	Closed	-
	Nazafgarh	Mill Quality Loose	2000	Closed	-
Gujarat	Rajkot	Mill Delivery	2015	2010	5
	Ahmedabad	Mill Delivery	2160	2160	Unch
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	2290	2350	-60
M.P.	Indore	Mill Delivery	2020	1980	40
	Bhopal	Mill Quality Loose	1940	1940	Unch
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	1990	1990	Unch
	Mathura	Mill Quality Loose	1950	1960	-10
	Kosi	Mill Quality Loose	1990	1980	10
	Hathras	Mill Quality Loose	1950	1950	Unch
	Aligarh	Mill Quality Loose	1870	Closed	-
Punjab	Khanna	Mill Quality Loose	1910	1920	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1910	1900	10
	Hodal	Mill Delivery	2050	2050	Unch
	Bhiwani	Mill Quality Loose	1960	1960	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2360	2360	Unch
	Madurai	Mill Quality	2417	2417	Unch
	Coimbatore	Mill Quality	2417	2417	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
			27-Dec-18	26-Dec-18	
Gujarat	Rajkot	Lokwan	2175	2150	25
M.P.	Indore	Lokwan	2250	2250	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2900	Closed	-
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Dec-18	26-Dec-18	
Delhi	Lawrence Road	Mill Delivery	7000	6500	500
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	700	-100
	Dhrol	Mill Quality Loose	4	65	-61
M.P.	Indore	Mill Quality Loose	1000	700	300
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	300	200	100
	Kosi	Mill Quality Loose	280	250	30
	Hathras	Mill Quality Loose	60	60	Unch
	Aligarh	Mill Quality Loose	250	Closed	-
Punjab	Khanna	Mill Quality Loose	300	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	800	400	400
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	27-Dec-18	26-Dec-18	Change
Atta (50kg) Ordinary	1135	1135	Unch
Maida Grade 1 (50KG)	1215	1215	Unch
Suji (50kg)	1290	1290	Unch
Chokar (50 kg)	915	915	Unch
Chokar (34 kg)	620	620	Unch
Chakki Atta (50kg)	1240	1240	Unch
Chakki Atta (50kg) Special	1265	1265	Unch
Chakki Atta (90kg) Superfine	2300	2300	Unch
Chakki Atta (50kg) Superfine	1270	1270	Unch

Wheat (CBOT) Future Price:27.12.2018					
Contract Month	Open	High	Low	Close	Change
19-Mar	516.00	520.75	509.00	510.00	-6.50
19-May	524.50	527.75	516.50	517.75	-5.75
19-Jul	531.25	535.50	524.50	525.75	-6.25
19-Sep	540.50	544.00	533.75	534.50	-6.25
19-Dec	554.50	557.25	547.75	548.75	-5.50
20-Mar	567.00	567.00	559.25	559.25	-5.50

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