

Wheat Domestic Fundamentals:

India has received 14.70 mm of actual rainfall against 16.60 mm of normal rainfall during the month of December. During this time period, deficient rainfall was recorded in major wheat producing regions of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh and Rajasthan. India has received 16.2 mm of rainfall during December-2017. Actual rainfall was below normal in December-18, however low temperature in Punjab, Haryana and Uttar Pradesh will help in retaining soil moisture.

All India weekly average prices decreased by 0.28 percent to Rs. 2081.86 per quintal during the week ended 31st December 2018. Wheat average price were ruling at Rs 2087.77 per quintal during 16-23 December 2018. As compared to prices in the week 24-31 December 2017, the prices are firm by 9.83 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. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$351.00 (Rs 24552) per tonne and \$382.82 (Rs 26770) 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.

According to latest update, area sown until 28th December'18 is 277.37 lakh hectares compared to 274.16 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.

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.

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.

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.

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: 03.01.2019 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	-3	2100	2103	2097	2097	60	-40	350	-10
19-Feb	0	2160	2160	2160	2160	10	10	60	0
19-Mar	0	2207	2207	2207	2207	0	0	0	0

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	47		
19-Feb		63	
19-Mar			47

Stocks	Demat	In-Process	Total	EDD
	02.Jan.19	02.Jan.19	02.Jan.19	01.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 03.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Jan-19	2-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2095	2080	15
	Narella	Mill Quality Loose	2050	Closed	-
	Nazafgarh	Mill Quality Loose	2005	Closed	-
Gujarat	Rajkot	Mill Delivery	2010	2020	-10
	Ahmedabad	Mill Delivery	2160	2160	Unch
	Surat	Mill Delivery	2200	2210	-10
	Dhrol	Mill Quality Loose	2140	NR	-
M.P.	Indore	Mill Delivery	2050	2050	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	1990	1990	Unch
	Mathura	Mill Quality Loose	1960	1950	10
	Kosi	Mill Quality Loose	1995	2000	-5
	Hathras	Mill Quality Loose	1970	1970	Unch
	Aligarh	Mill Quality Loose	1880	Closed	-
Punjab	Khanna	Mill Quality Loose	1930	1930	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1950	1950	Unch
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2000	2000	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
Bihar	Khagariya	Mill Delivery	2050	2020	30
	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
			3-Jan-19	2-Jan-19	
Gujarat	Rajkot	Lokwan	2150	2175	-25
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2900	Closed	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-Jan-19	2-Jan-19	
Delhi	Lawrence Road	Mill Delivery	1000	1500	-500
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	30	Closed	-
Gujarat	Rajkot	Mill Quality Loose	400	300	100
	Dhrol	Mill Quality Loose	8	NR	-
M.P.	Indore	Mill Quality Loose	1200	1300	-100
Rajasthan	Kota	Mill Quality	1000	1500	-500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	200	200	Unch
	Kosi	Mill Quality Loose	120	100	20
	Hathras	Mill Quality Loose	35	35	Unch
	Aligarh	Mill Quality Loose	200	Closed	-
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(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	800	-400

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

Wheat Products Delhi	3-Jan-19	2-Jan-19	Change
Atta (50kg) Ordinary	1150	1150	Unch
Maida Grade 1 (50KG)	1205	1205	Unch
Suji (50kg)	1280	1280	Unch
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	610	610	Unch
Chakki Atta (50kg)	1255	1255	Unch
Chakki Atta (50kg) Special	1280	1280	Unch
Chakki Atta (90kg) Superfine	2320	2320	Unch
Chakki Atta (50kg) Superfine	1290	1290	Unch

Wheat (CBOT) Future Price: 31.12.2018					
Contract Month	Open	High	Low	Close	Change
19-Mar	512.75	513.50	503.00	503.25	-8.25
19-May	519.25	520.50	510.00	510.50	-8.25
19-Jul	527.00	528.00	518.00	518.50	-7.75
19-Sep	536.00	537.25	527.75	528.25	-7.25
19-Dec	549.75	551.00	542.00	542.50	-7.25
20-Mar	561.75	561.75	553.25	553.50	-7.00

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