

Wheat Domestic Fundamentals:

Indian FoB quote hovered around \$300.53-312.14 per tonne in December. Against it Russia, Ukraine, France, US and Australia were offering wheat at \$222.50-235.50, \$221.00-234.50, Euro 199.50-206.75, \$220.40-230.00 and \$244.55-259.15 per tonne respectively. Wheat prices in international markets witnessed steady to firm tone in December.

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.

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:

Drought in Australia has led Agrocrops to import 33000 MT of wheat from west Australia to east Australia. West Australia wheat is generally exported to Asia and Middle-East. Therefore, west Australia wheat is being imported by east to meet the local demand.

Bangladesh has witnessed a tremendous growth in imports in past five years, due to change in consumption pattern of population. Imports have increased from 1.8 MMT in FY 2012-13 to 5.4 MMT in FY 2016-17. Bangladesh is likely to import wheat from black sea region in near future.

Russia has imposed a ban on import of more than fifty products, including wheat, from Ukraine. This is a tit-for-tat measure by the Russian government as Ukraine has banned import of more than 30 products in December-18.

As per Agriculture and Agri food Canada, All wheat production is likely to be around 31.76 MMT in 2018-19 compared to 29.98 MMT in 2017-18. Ending stock are likely to be 6.2 MMT compared to 5.9 MMT due to increase in production. Production has increased but Canada has some quality issues relating to the milling wheat.

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.

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

Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Jan	-24	2101	2077	2077	2077	10	-50	350	0
19-Feb	0	2160	2160	2160	2160	10	0	60	0
19-Mar	0	2207	2207	2207	2207	0	0	0	0

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	17		
19-Feb		83	
19-Mar			47

Stocks	Demat	In-Process	Total	EDD
	03.Jan.19	03.Jan.19	03.Jan.19	31.Dec.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 05.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jan-19	4-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2095	5
	Narella	Mill Quality Loose	2060	2060	Unch
	Nazafgarh	Mill Quality Loose	2000	2010	-10
Gujarat	Rajkot	Mill Delivery	2020	2030	-10
	Ahmedabad	Mill Delivery	2160	2160	Unch
	Surat	Mill Delivery	2210	2210	Unch
	Dhrol	Mill Quality Loose	2360	2125	235
M.P.	Indore	Mill Delivery	Closed	2050	-
	Bhopal	Mill Quality Loose	Closed	1950	-
Rajasthan	Kota	Mill Quality Loose	1935	1935	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	1990	1990	Unch
	Mathura	Mill Quality Loose	1960	1950	10
	Kosi	Mill Quality Loose	1980	1995	-15
	Hathras	Mill Quality Loose	1980	1980	Unch
	Aligarh	Mill Quality Loose	1890	1890	Unch
Punjab	Khanna	Mill Quality Loose	1920	1920	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	2010	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2350	Unch
	Madurai	Mill Quality	2407	2407	Unch
	Coimbatore	Mill Quality	2407	2407	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2070	2070	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jan-19	4-Jan-19	
Gujarat	Rajkot	Lokwan	2250	2250	Unch
M.P.	Indore	Lokwan	Closed	2350	-
	Bhopal	Lokwan	Closed	2200	-
	Bina	Sarbati 306	Closed	2900	-
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Jan-19	4-Jan-19	
Delhi	Lawrence Road	Mill Delivery	4000	2000	2000
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	450	600	-150
	Dhrol	Mill Quality Loose	7	8	-1
M.P.	Indore	Mill Quality Loose	Closed	1300	-
Rajasthan	Kota	Mill Quality	1000	800	200
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	200	200	Unch
	Kosi	Mill Quality Loose	350	340	10
	Hathras	Mill Quality Loose	250	250	Unch
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	60	-10
	Bhiwani	Mill Quality Loose	600	600	Unch
	Karnal	Mill Delivery	NA	NA	-



	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	5-Jan-19	4-Jan-19	Change
Atta (50kg) Ordinary	1170	1150	20
Maida Grade 1 (50KG)	1195	1205	-10
Suji (50kg)	1270	1280	-10
Chokar (50 kg)	890	900	-10
Chokar (34 kg)	600	610	-10
Chakki Atta (50kg)	1275	1255	20
Chakki Atta (50kg) Special	1300	1280	20
Chakki Atta (90kg) Superfine	2340	2320	20
Chakki Atta (50kg) Superfine	1310	1290	20

Wheat (CBOT) Future Price:04.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	513.75	518.75	513.00	517.00	3.25
19-May	520.00	524.25	519.25	522.75	2.75
19-Jul	527.00	531.25	526.75	529.50	2.50
19-Sep	537.75	540.75	537.00	538.75	1.75
19-Dec	551.50	555.00	551.00	553.50	1.75
20-Mar	563.75	565.25	563.75	564.50	1.75

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