

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, Uttar Pradesh, Maharashtra and Madhya Pradesh will help in retaining soil moisture. Furthermore Rajasthan had one of the coldest December, which is favorable for wheat but chickpeas have been affected.

According to latest update, area sown until 04th January'18 is 288.37 lakh hectares compared to 283.55 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. Acreage of wheat in Madhya Pradesh is higher as farmers have shifted from chickpea. This year, as on 04th January'18, farmers have sowed 59.00 lakh hectares of wheat in Madhya Pradesh compared to 44.53 Lakh hectares last year on same date.

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.

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.

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:

Algeria state grains agency OAIC has bought around 55000 tonnes of milling wheat in a tender that closed on Tuesday. The prices paid were in the range of \$261.50 - \$262.00 per tonne (Cost and Freight). The quantity to be shipped is due in Mid-February to Mid-March. The origin is optional.

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.

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.

Wheat Futures Contact: NCDEX Price							Date: 09.01.2019 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	-17	2075	2071	2058	2058	40	30	310	-40
19-Feb	-61	2093	2090	2032	2032	70	30	60	0
19-Mar	0	2207	2207	2207	2207	0	0	0	0

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	-7		
19-Feb		-26	
19-Mar			175

Stocks	Demat	In-Process	Total	EDD
	08.Jan.19	08.Jan.19	08.Jan.19	07.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 09.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jan-19	8-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	Closed	2065	-
	Nazafgarh	Mill Quality Loose	Closed	2010	-
Gujarat	Rajkot	Mill Delivery	2025	2010	15
	Ahmedabad	Mill Delivery	2170	2160	10
	Surat	Mill Delivery	2220	2220	Unch
	Dhrol	Mill Quality Loose	2320	2375	-55
M.P.	Indore	Mill Delivery	2075	2050	25
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	1990	1990	Unch
	Mathura	Mill Quality Loose	1950	1960	-10
	Kosi	Mill Quality Loose	2000	1990	10
	Hathras	Mill Quality Loose	1990	1990	Unch
	Aligarh	Mill Quality Loose	Closed	1950	-
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	2000	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	2150	2100	50
	Muzaffarpur	Mill Delivery	2050	2000	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jan-19	8-Jan-19	
Gujarat	Rajkot	Lokwan	2175	2150	25
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	Closed	2900	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Jan-19	8-Jan-19	
Delhi	Lawrence Road	Mill Delivery	5000	5500	-500
	Narella	Mill Quality Loose	Closed	400	-
	Nazafgarh	Mill Quality Loose	Closed	80	-
Gujarat	Rajkot	Mill Quality Loose	500	300	200
	Dhrol	Mill Quality Loose	24	9	15
M.P.	Indore	Mill Quality Loose	1200	1000	200
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	240	200	40
	Kosi	Mill Quality Loose	300	280	20
	Hathras	Mill Quality Loose	400	400	Unch
	Aligarh	Mill Quality Loose	Closed	50	-
Punjab	Khanna	Mill Quality Loose	900	600	300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	60	50	10
	Bhiwani	Mill Quality Loose	500	400	100

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

Wheat Products Delhi	9-Jan-19	8-Jan-19	Change
Atta (50kg) Ordinary	1170	1170	Unch
Maida Grade 1 (50KG)	1195	1195	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	890	890	Unch
Chokar (34 kg)	600	600	Unch
Chakki Atta (50kg)	1275	1275	Unch
Chakki Atta (50kg) Special	1300	1300	Unch
Chakki Atta (90kg) Superfine	2340	2340	Unch
Chakki Atta (50kg) Superfine	1310	1310	Unch

Wheat (CBOT) Future Price: 08.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	516.50	524.50	513.75	517.75	1.00
19-May	521.50	529.50	519.00	523.50	2.00
19-Jul	526.75	535.00	524.50	529.00	2.00
19-Sep	535.25	543.25	533.50	537.50	2.00
19-Dec	547.25	556.50	547.25	551.50	2.50
20-Mar	558.00	565.25	558.00	561.25	2.50

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.