

Wheat Domestic Fundamentals:

Haryana is one of the key wheat producing state in India. Production is likely to be higher as farmers have sown high yielding varieties such as HD-2967, HD-3086, WH-1105, etc. Low temperature in Haryana will further support yield. There are no reports of yellow rust in North India so far.

All India weekly average prices increased by 4.12 percent to Rs. 2167.57 per quintal during the week ended 08th January 2019. Wheat average price were ruling at Rs 2081.86 per quintal during 24-31 December 2018. As compared to prices in the week 01-08 January 2018, the prices are firm by 11.61 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 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.

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:

Indonesia has bought 30000 MT of wheat from Argentina at \$270 per tonne. Asian flour millers are expected to seek rare wheat shipments from Argentina in coming months as a second year of drought in traditional supplier Australia has curbed supplies.

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 weak in the near term on improved demand.

Wheat Futures Contact: NCDEX Price							Date: 11.01.2019 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	-49	2039	2020	1989	1990	70	-30	290	-60
19-Feb	-19	2039	2069	2000	2020	100	20	150	40
19-Mar	0	2141	2141	2141	2141	0	0	0	0

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	-80		
19-Feb		30	
19-Mar			121

Stocks	Demat	In-Process	Total	EDD
	10.Jan.19	10.Jan.19	10.Jan.19	07.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 11.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Jan-19	10-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2070	2070	Unch
	Nazafgarh	Mill Quality Loose	2010	2010	Unch
Gujarat	Rajkot	Mill Delivery	2025	2025	Unch
	Ahmedabad	Mill Delivery	2170	2170	Unch
	Surat	Mill Delivery	2220	2220	Unch
	Dhrol	Mill Quality Loose	2330	2210	120
M.P.	Indore	Mill Delivery	2100	2100	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1935	Closed	-
		Mill Delivery	2025	Closed	-
U.P.	Kanpur	Mill Delivery	1990	1990	Unch
	Mathura	Mill Quality Loose	1950	1950	Unch
	Kosi	Mill Quality Loose	2050	1990	60
	Hathras	Mill Quality Loose	1980	1980	Unch
	Aligarh	Mill Quality Loose	1920	1910	10
Punjab	Khanna	Mill Quality Loose	1925	1940	-15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1950	1950	Unch
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2010	2000	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2375	Closed	-
	Madurai	Mill Quality	2432	Closed	-
	Coimbatore	Mill Quality	2432	Closed	-
Bihar	Khagariya	Mill Delivery	2150	2150	Unch
	Muzaffarpur	Mill Delivery	NR	2050	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Jan-19	10-Jan-19	
Gujarat	Rajkot	Lokwan	2200	2175	25
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2250	2200	50
	Bina	Sarbati 306	2900	2900	Unch
Rajasthan	Kota	Lokwan Bilty	2150	Closed	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Jan-19	10-Jan-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	500	500	Unch
	Nazafgarh	Mill Quality Loose	50	80	-30
Gujarat	Rajkot	Mill Quality Loose	400	500	-100
	Dhrol	Mill Quality Loose	5	9	-4
M.P.	Indore	Mill Quality Loose	1000	1200	-200
Rajasthan	Kota	Mill Quality	500	Closed	-
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	250	250	Unch
	Kosi	Mill Quality Loose	200	280	-80
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	100	200	-100
Punjab	Khanna	Mill Quality Loose	300	700	-400
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	60	-10
	Bhiwani	Mill Quality Loose	400	600	-200

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

Wheat Products Delhi	11-Jan-19	10-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: 10.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	519.50	520.25	512.00	513.75	-6.25
19-May	525.75	526.00	518.50	519.75	-6.25
19-Jul	530.00	530.75	523.50	524.25	-6.50
19-Sep	538.50	539.00	532.00	532.75	-6.50
19-Dec	552.75	552.75	546.00	546.50	-6.25
20-Mar	561.00	561.00	556.25	556.25	-6.25

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