

Wheat Domestic Fundamentals:

As per latest update, area sown until 11th January'18 is 294.07 lakh hectares compared to 300.51 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 11th January'18, farmers have sowed 59.00 lakh hectares of wheat in Madhya Pradesh compared to 58.03 Lakh hectares last year on same date.

Wheat WPI has increased from 152.2 in November-2018 to 152.8 in December-2018. Monthly wheat inflation has increased by 0.39 percent in December-2018 compared to previous month. As compared to December-2017 wheat WPI has increased by around 9.61 percent. Wheat WPI is expected to stay steady to weak in coming months.

As per latest update, Conducive weather conditions have increased the probability of good harvest in MY 2019-20. Low temperatures during day and night, with clear skies have boosted vegetative growth of the crop. Furthermore, low temperature has also helped in retaining soil moisture, which otherwise would have adversely impacted the crop in absence of rain. Good production in MY 2019-20 may lead to oversupply in domestic market.

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.

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:

Pakistan government on 20th November 2018 decided to export 5 LMT of subsidized wheat to reduce oversupply in domestic market. Pakistan Agricultural Storage and Services Corporation (PASSCO) issued a tender to for the same that closed on 11th January 2019. Around twelve offers were received that were above the minimum target price of \$233 per tonne ex inland store, which means that wheat can be sold without a state subsidy. FoB cost after including cargo handling and inland transport costs will be around \$250 per tonne. Wheat is likely to be sold to Sri Lanka, the United Arab Emirates, Oman and Indonesia.

As per latest update, Analyst have increased forecast for grain exports by 2.1 percent to 46.07 MMT during the 2018/19 July- June season. Of the total quantity, Ukraine is expected to export 25.75 MMT of corn, 15.5 MMT of wheat and 4.1 MMT of barley.

Russian milling wheat prices remained steady in past week as low trading activity was observed for wheat due to holidays. 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 \$235.00-240.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$234.00-240.00/tonne.

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.

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

Wheat Futures Contact: NCDEX Price							Date: 15.01.2019 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	-15	1980	1980	1980	1980	50	-30	290	0
19-Feb	-31	1987	2000	1987	1995	70	30	190	10
19-Mar	0	2141	2141	2141	2141	0	0	0	0

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	-90		
19-Feb		15	
19-Mar			146

Stocks	Demat	In-Process	Total	EDD
	14.Jan.19	14.Jan.19	14.Jan.19	14.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	660	0	660	660
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 15.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Jan-19	14-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2070	2020	50
	Nazafgarh	Mill Quality Loose	2010	2010	Unch
Gujarat	Rajkot	Mill Delivery	2030	Closed	-
	Ahmedabad	Mill Delivery	2170	Closed	-
	Surat	Mill Delivery	2225	Closed	-
	Dhrol	Mill Quality Loose	2300	Closed	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1935	Closed	-
		Mill Delivery	2025	Closed	-
U.P.	Kanpur	Mill Delivery	1990	1990	Unch
	Mathura	Mill Quality Loose	1900	1975	-75
	Kosi	Mill Quality Loose	1960	2000	-40
	Hathras	Mill Quality Loose	2050	1980	70
	Aligarh	Mill Quality Loose	1925	1925	Unch
Punjab	Khanna	Mill Quality Loose	1950	1940	10
	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	2010	Unch
	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	2150	2150	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Jan-19	14-Jan-19	
Gujarat	Rajkot	Lokwan	2175	Closed	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	2150	Closed	-
	Baran	Lokwan	NA	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Jan-19	14-Jan-19	
Delhi	Lawrence Road	Mill Delivery	6000	3000	3000
	Narella	Mill Quality Loose	500	200	300
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	500	Closed	-
	Dhrol	Mill Quality Loose	5	Closed	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	1000	Closed	-
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	250	100	150
	Kosi	Mill Quality Loose	350	150	200
	Hathras	Mill Quality Loose	350	150	200
	Aligarh	Mill Quality Loose	20	20	Unch
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	600	400	200

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

Wheat Products Delhi	15-Jan-19	14-Jan-19	Change
Atta (50kg) Ordinary	1190	1190	Unch
Maida Grade 1 (50KG)	1190	1190	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	870	870	Unch
Chokar (34 kg)	580	580	Unch
Chakki Atta (50kg)	1300	1300	Unch
Chakki Atta (50kg) Special	1320	1320	Unch
Chakki Atta (90kg) Superfine	2360	2360	Unch
Chakki Atta (50kg) Superfine	1330	1330	Unch

Wheat (CBOT) Future Price: 14.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	520.00	523.50	513.25	514.25	-5.25
19-May	525.00	528.25	518.50	519.75	-5.25
19-Jul	529.50	532.75	523.75	524.50	-5.00
19-Sep	540.25	540.25	532.00	532.75	-5.00
19-Dec	553.75	554.25	545.75	546.50	-5.00
20-Mar	563.75	563.75	556.50	556.50	-4.50

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