



Wheat Weekly Research Report

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Wheat Domestic Market Fundamentals:-

All India weekly average prices increased by 8.25 percent to Rs. 1905.23 per quintal during the week ended 08th April 2018. Wheat average price were ruling at Rs 1759.97 per quintal during 24-31 March 2018. As compared to prices in the week 01-08 April 2017, the prices are weak by 2.69 percent. Prices are expected to remain steady to weak in coming days due to increasing arrival pressure.

Government agencies have started procurement since 15th March'18. Until 06th April'18 government has procured around 13.15 lakh tonnes of wheat. Of the total quantity procured, around 10.21 lakh tonnes have been procured from Madhya Pradesh, 0.09 lakh tonnes from Gujarat, 2.24 lakh tonnes from Haryana and 2.24 in Rajasthan. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT.

As per latest update, until 08th April Traders and five government agencies have purchased a total of 3.77 lakh tonnes of wheat. Of the total quantity procured by government agencies around 0.47 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 0.98 lakh tonnes by HAFED, 0.97 lakh tonnes by FCI and 1.34 lakh tonnes by Haryana warehousing corporation. Palwal district has recorded highest arrival in the state, where 1.84 lakh tonnes of wheat has been procured.

Wheat prices are ruling below MSP of Rs 1735 per quintal due to fresh arrivals from central and north India. As of now average quality wheat in Gujarat is ruling around Rs 1550 per quintal and around Rs 1650 per quintal in M.P. and Maharashtra. Prices are likely to remain under pressure until arrival is finished. Moreover higher stock position is likely to cover any shortfall in crops due to slight weather aberrations.

Rains in recent days has impacted wheat crop in Chandigarh, Haryana, Punjab and Uttar Pradesh. Hailstorm, rains or high speed winds in the month of April are not beneficial for the crop as it may lead to lower yield or high moisture. IMD has forecasted for thunderstorm accompanied with squall at isolated places in Chandigarh, Haryana, Punjab and Uttar Pradesh in coming days.

As per latest update by DGCIS, India has exported around 192957 metric tonnes of wheat in April-January (2017-18) compared to 239308 metric tonnes in April- January (2016-17). In terms of value, exports have decreased by around 18 percent. Overall condition for Indian wheat export is not favorable and export volume would remain low in coming months as other countries are able to provide wheat at lower prices.

As per second advance estimate, India is likely to produce 97.11 MMT of wheat compared to 98.51 MMT in previous year. The total food grain production is expected at record 277.49 MMT compared to 275.11 MMT last year. This year overall acreage for wheat is lower by around 4.27% compared to last years' acreage of 317.88 lakh hectares.

Latest Developments in Domestic Markets:

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed steady to weak tone in the week. Traders are not quoting prices for APW due to lower availability. As of now Tuticorin port price ASW at Rs 1970-1985 per quintal and Ukrainian wheat at Rs 1770-1785 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

Indian FoB quote is hovering around \$259.63 per tonne. Against it Russia, Ukraine, France, US and Australia are offering wheat at \$203.50, \$207.00, Euro 161.83, \$200.23 and \$217.40 per tonne respectively. There is little hope for recovery at export front this year. However, India is expected to import 2.0 million tonnes in MY 2017-18.

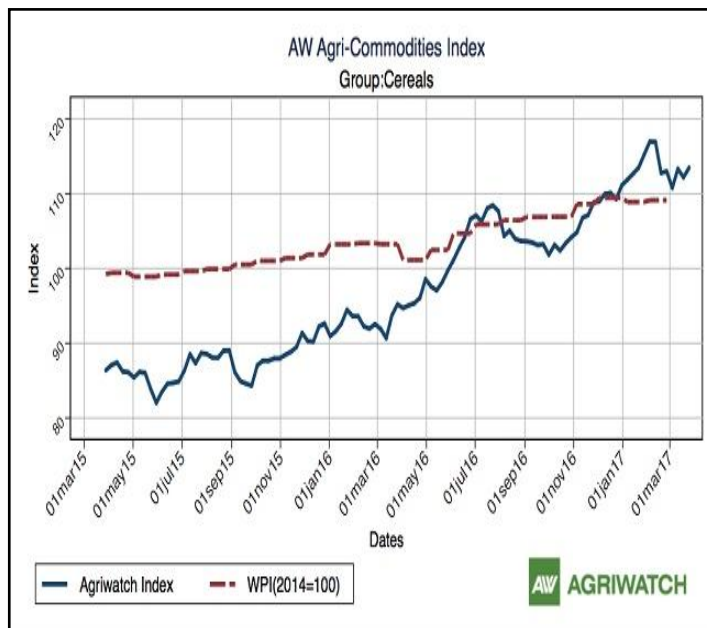
Outlook & Recommendation: Wheat cash market is expected to trade steady to weak in the coming week.

Trade Call: Stakeholders should trade in April contract taking care of lower and upper price tag of Rs. 1620 & 1740 respectively.

Agriwatch Cereals Index:

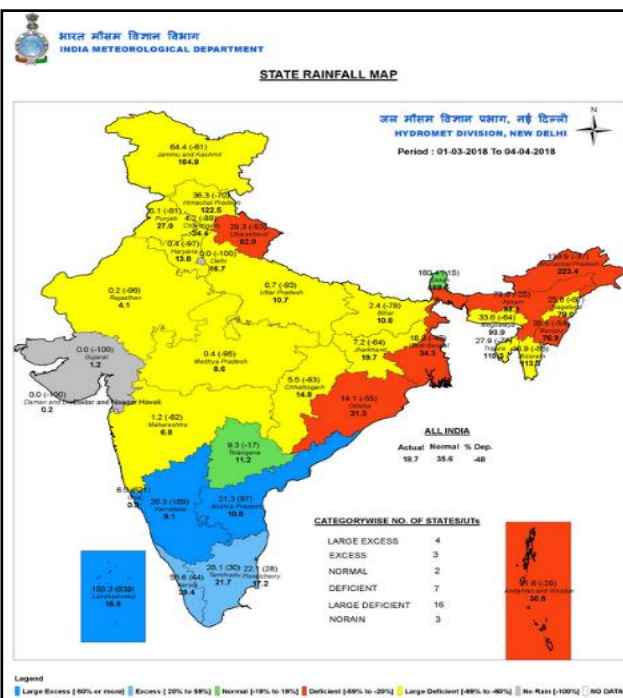
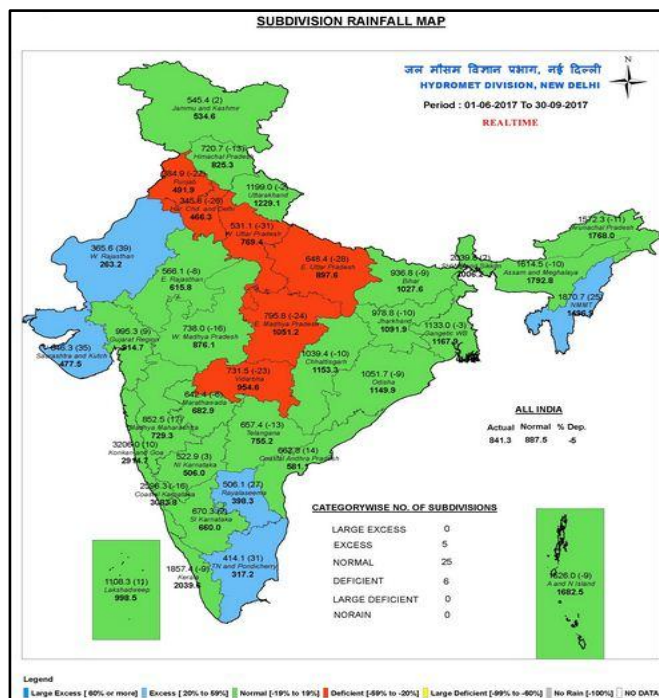
The Agriwatch Agri Commodities Index rose 0.74% to 110.34 during the week ended March 25, 2017 from 109.53 during the previous week led by higher cereals and pulses. The base for the Index and all sub-Indices is 2014 (=100).

Seven of the 9 commodity group sub-Indices and 15 of the 29, individual commodity sub-Indices that constitute the main Index gained during the week. Spices and Sweeteners were the only declining groups this week. The commodity group sub-Index values and their weekly changes are as follows: Cereals: 113.47 (+1.16%), Pulses: 137.35 (+3.20%), Vegetables: 41.18 (+0.41%), Edible Oils: 104.47 (+0.60%), Oilseeds: 90.01 (+0.80%), Spices: 97.92 (-3.29%), Sweeteners: 125.31 (-0.44%), Fibers: 115.44 (+1.72%) and Other Non-Food Articles: 95.34 (+0.08%).



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access, independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

Weather Condition& Monsoon:



Source: IMD

Wheat Weekly Average Price Chart:

Average mill delivery prices of Wheat traded weak in Delhi, Indore, Ahmedabad and Kota during 30th Mar-05th Apr March. Prices are expected to remain steady to weak.

Prices are expected to decrease in the coming week due to ample availability in the market. Recent damage to crop yield won't make much difference due to higher stock position. Arrival pressure has increased from central and north India. As per market sources, government has decided not to increase import duty from current level of 20 percent to 40 percent due to lower production compared to previous year.

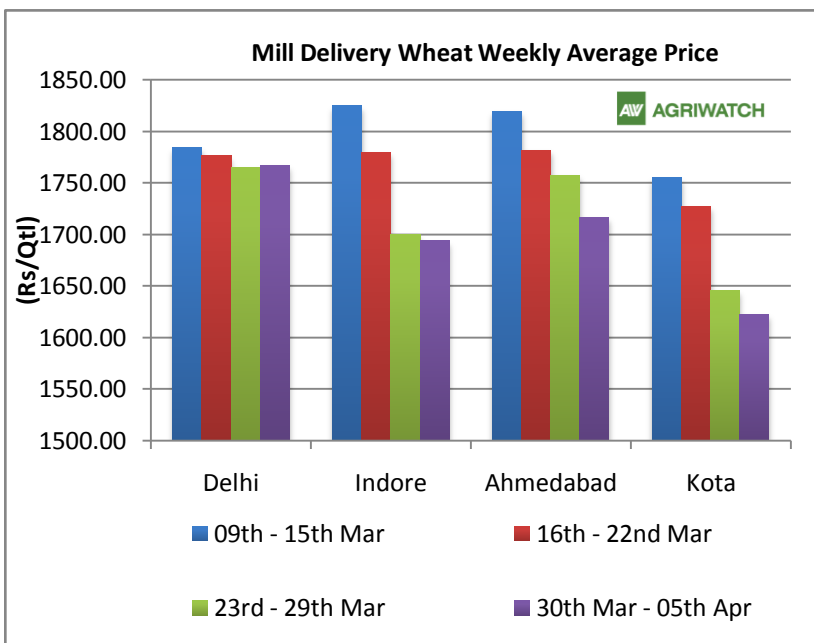

Wheat Stock Norms

Fig. In Lakh Tonne	Operational Stock			Strategic Reserve		
	Rice	Wheat	Total	Rice	Wheat	Grand Total
As on						
1st April	115.8	44.6	160.4	20	30	210.4
1st July	115.4	245.8	361.2	20	30	411.2
1st Oct.	82.5	175.2	257.7	20	30	307.7
1st Jan	56.1	108	164.1	20	30	214.1
Buffer Norms w.e.f. 01.07.2017						

Procurement As on 21st July-2017:

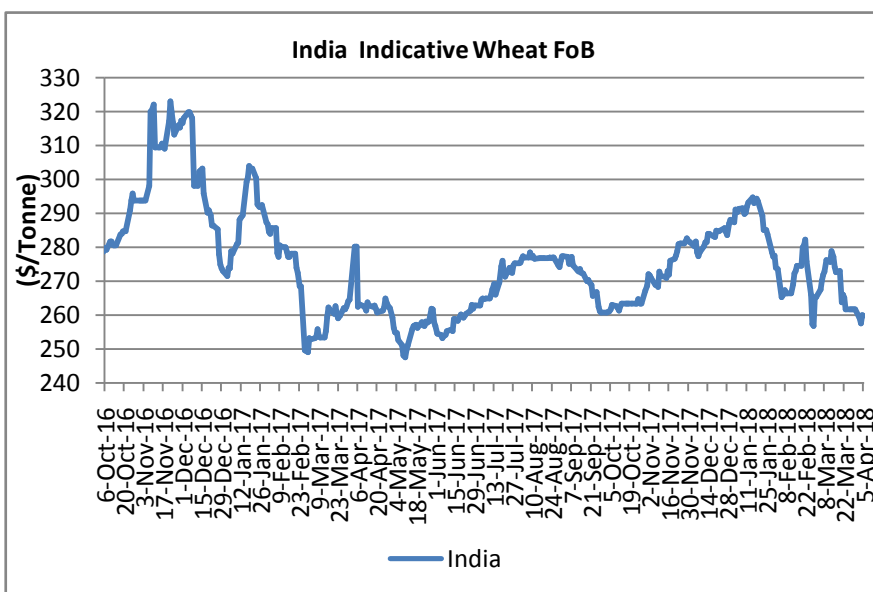
State	Target for Procurement In Marketing Season 2017-18(April To March)	Progressive Procurement As on 21.07.2017 (Fig In Lakh Tonne)		
		In Marketing Season 2017-18	In Marketing Season 2016-17	% Ch Over Previous Year
Haryana	75.00	74.11	67.52	9.76%
Madhya Pradesh	85.00	67.24	39.92	68.44%
Punjab	115.00	117.05	106.49	9.92%
Rajasthan	17.50	12.45	7.62	63.12%
Uttar Pradesh	30.00	36.99	7.97	364.12%
All-India	330.00	308.01	229.62	34.13%

Total wheat procurement was registered at 229.62 lakh tonnes till 28th June -2016. Against set target of 33 MMT Government has procured 308.01 lakh tonnes until 21st July-17.

FOB Quote for Wheat at Kandla:

Wheat FoB quote in India witnessed weak tone last week. The demand for Indian wheat in the international market is low. Export window remains restricted due to huge disparity. There are no takers at higher level.

Wheat FoB quote for Kandla is likely to witness steady to weak tone in the coming week and is likely to hover in the range of \$250-270 per tonne. Abundant availability of wheat in international market at lower prices compared to export prices of India has also reduced demand for Indian wheat in international market.



Indicative FOB Quotes:

Wheat FOB	Variety	Yesterday	Week Ago	Month Ago	Year Ago	% Change over Prev. Year
		4-Apr-18	28-Mar-18	5-Mar-18	4-Apr-17	
USA (Chicago)	2srw	200.50	196.73	218.33	182.60	9.80
France	FCW3	198.19	226.66	195.92	172.58	14.84
Australia	ASW	217.60	216.00	216.80	180.03	20.87
Russia	SRW	203.50	203.50	201.00	183.50	10.90
India	Fob	259.92	NA	267.64	280.29	-7.27

	05/04/2018	29/03/2018	22/03/2018	15/03/2018
Black Sea Mill Wheat 12.5% FOB Pmax. (\$/T)	211	210	208	209
Black Sea Mill Wheat 11.5% FOB Pmax. (\$/T)	205	205	204	205

Wheat Futures Contact: NCDEX Price

Date: 06.04.2018

Contract Month	Change from previous day	Open	High	Low	Close	Volume	Change From previous day	Open Interest	Change From previous day
18-Apr	-3	1675	1686	1675	1677	680	660	2210	-130
18-May	-9	1684	1705	1684	1705	120	90	420	80
18-Jun	0	1748	1748	1748	1748	0	0	0	0

Wheat Technical Analysis:

Wheat Weekly Price Table:

Spot prices of wheat at NCDEX Delivery centers					
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	% Change over prev. Year
	4-Apr-18	28-Mar-18	7-Mar-18	3-Apr-17	
Indore	1707	1678	1779	1638	4.21
Delhi	1779	1770	1797	1785	-0.34
Kanpur	1650	1660	NA	1678	-1.67
Rajkot	1610	NA	1685	1640	-1.83
Kota	1668	1669	1710	1671	-0.18

Source: NCDEX; NCDEX delivery prices are inclusive of Mandi tax and other applicable state taxes along with handling & packaging costs.

Domestic Market Weekly Outlook:

Wheat cash market is likely to trade steady to weak in the coming week, as prices are likely to be under pressure due to increase in arrivals. There is no problem at supply side due to ample availability.

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			5-Apr-18	4-Apr-18	29-Mar-18	5-Mar-18	5-Apr-17
Delhi	Lawrence Road	Mill Delivery	1780	1770	Closed	1800	1770
	Narella	Mill Quality Loose	1770	Closed	Closed	1700	1700
	Nazafgarh	Mill Quality Loose	1650	Closed	Closed	1690	1675
Gujarat	Rajkot	Mill Delivery	1525	1535	Closed	1580	1540
	Ahmedabad	Mill Delivery	1700	1725	Closed	1810	1700
	Surat	Mill Quality Loose	1740	1750	Closed	1830	1730
	Dhrol	Mill Delivery	1705	1710	Closed	1650	NR
M.P.	Indore	Mill Quality Loose	1650	1675	Closed	1750	1600
	Bhopal	Mill Delivery	1600	1650	Closed	1700	1625
Rajasthan	Kota	Mill Quality Loose	1540	1525	Closed	1580	1550
		Mill Delivery	1650	1605	Closed	1660	1650
U.P.	Kanpur	Mill Delivery	1715	1710	Closed	Closed	1700
	Mathura	Mill Quality Loose	1600	Closed	1600	Closed	1535
	Kosi	Mill Quality Loose	1605	1620	1600	Closed	1555
	Hathras	Mill Quality Loose	1645	1620	1610	1660	1625
	Aligarh	Mill Quality Loose	1610	Closed	1585	NR	1650
Punjab	Khanna	Mill Quality Loose	1735	1735	1730	1735	1680
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NR	1800
Haryana	Sirsa	Mill Delivery loose	1715	1710	1715	1730	1625
	Hodal	Mill Delivery	NA	NA	1700	NR	1740
	Bhiwani	Mill Quality Loose	1700	1700	1700	1730	1625
	Karnal	Mill Quality Loose	1720	1700	1700	1725	1750
	Panipat	Mill Quality Loose	1735	1625	1625	1625	1625



Tamil Nadu	Chennai	Mill Quality	2000	2000	Closed	2115	2000
	Madurai	Mill Quality	2057	2200	Closed	2215	2150
	Coimbatore	Mill Quality	2057	2250	Closed	2265	2200
Bihar	Khagariya	Mill Delivery	1550	1550	1700	1700	1600
	Muzaffarpur	Mill Delivery	1575	1575	1625	1600	1800

Progressive Sowing Status till 09th Feb-2018:

State Wise Wheat Sowing Progressive in Lakh Hectares Till 09.02.2018				
State	Normal area	This Year	Last Year	% Change
Bihar	21.24	23.27	22.96	1.35
Chhattisgarh	1.036	1.85	1.76	5.11
Gujarat	11.56	10.76	9.96	8.03
Haryana	25.39	25.26	25.38	-0.47
Himachal Pradesh	3.5	3.6	3.59	0.28
J&K	2.955	2.93	2.31	26.84
Jharkhand	1.65	2.31	2.11	9.48
Karnataka	2.06	2.09	1.57	33.12
Madhya Pradesh	54.96	53.16	64.22	-17.22
Maharashtra	9.38	9.4	10.57	-11.07
Punjab	35.13	35.1	35	0.29
Rajasthan	30.472	30.2	30.67	-1.55
Uttar Pradesh	97.59	98.67	100.52	-1.84
Uttarakhand	3.53	3.58	3.594	-0.39
West Bengal	3.28	1.36	3.39	-59.91
Others	0.186	0.75	0.26	185.17
All-India	304.43	304.29	317.88	-4.27

Source: Ministry of Agriculture

International Market Update:

Russian milling wheat prices remained steady to firm by \$0-1 per tonne compared to last week. Strong export demand especially to Egypt has strengthened prices however; stocks in Russia are still at higher side. Russia has produced around 85-86 MMT of wheat this year compared to 72 MMT last year. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$207.00-211.00/tonne whereas milling wheat whereas wheat with 11.5% protein content is being quoted at FoB \$202.00-205.00/tonne.

Algeria state grains agency OAIC has bought around 330000 tonnes of milling wheat in a tender that closed on Tuesday. The price paid was around \$229.00 per tonne (Cost and Freight). The quantity to be shipped is due in June. The milling wheat can be sourced from various origins but most of it is likely to be purchased from France.

As per latest update, china has sold 8129 tonnes of wheat for average price of 2277 yuan (\$363.35) per tonne at an auction of state reserves. The quantity sold represents around 0.46 percent of 1749156 tonnes wheat available at auction.

GASC has purchased 475000 tonnes of Russian and Romanian wheat through tender. Of the total quantity 355000 tonnes has been sourced from Russia and remaining 120000 tonnes from Romania. GTCS offered 55000 tonnes of Russian wheat at FoB \$217.00 per tonne; GTCS offered 60000 tonnes of Russian wheat at FoB \$218.00 per tonne, Daewoo offered 60000 tonnes of Russian wheat at FoB \$218.40 per tonne, ADM offered 60000 tonnes of Romanian wheat at FoB \$219.30 per tonne, Aston offered 60000 tonnes of Russian wheat at FoB \$219.30 per tonne, GTCS offered 60000 tonnes of Russian wheat at FoB \$219.90 per tonne, Cargill offered 60000 tonnes of Romanian wheat at FoB \$219.90 per tonne and Ameropa offered 60000 tonnes of Romanian wheat at FoB \$219.65 per tonne

Iraq's state grain board has purchased around 100000 tonnes of hard wheat in a tender. Of the total quantity around 50000 tonnes was bought from U.S. at \$332.17 per tonne C&F and 50000 tonnes was bought from Australia at \$309.95 per tonne C&F.

As per latest update, Japan's ministry of agriculture bought 127338 MMT of food quality wheat from United States and Canada. Around 91942 MMT has been bought from United States and around 35396 MMT with minimum 13.5 percent protein content has been bought from Canada. Shipments from United States and Canada will be loaded between April 21 and May 20, 2018.

Major feed-mill group of South Korea has purchased around 65000 tonnes of feed wheat at \$233.40/tonne cost and freight. Around \$1.5 per tonne will be charged for port unloading. The quantity is likely to be shipped between May 11 and June 10. Feed wheat can be sourced from any origin except Pakistan, India, Denmark and Argentina.

Russian agriculture consultancy, SovEcon has estimated Russia is likely to export 3.2 MMT and 2.7 MMT of wheat in the month of February'18 and January'18. Russia has exported around 21.32 MMT of wheat in July-December'17. Russia was able to capture export share of Australia in international market. Russia produced record crop of wheat and was able to sell at more competitive prices compared to Australia.

The state grains agency of Tunisia has purchased around 25000 tonnes of durum wheat in a tender which closed on Friday. The durum wheat can be sourced from optional origins and has been purchased at \$288.25 a tonne (Cost and Freight). The said quantity must be shipped between August and September.

IGC Wheat Balance Sheet:

IGC Forecast(Fig-In MMT)	2015-16	2016-17	2017-18 (Forecast)		2018-19
		(Estimate)	22.02.2018	22.03.2018	(Projected)
Production	737	754	757	758	741
Trade	166	176	174	174	179
Consumptions	720	738	743	742	744
Carryover stocks	224	240	254	256	253
Y-O-Y change	17	16	-	16	-3
Major Export	66	75	76	78	66

- IGC has projected global wheat production to be 741 MMT for 2018-19. According to forecast by IGC for 2017-18, global wheat production was around 758 MMT against 754 MMT for 2016-17. The projection for global production is lower by 17 MMT compared to forecast for 2017-18. IGC has projected lower production for 2018-19 however; carryover stocks are still at higher side.
- Trade projection for 2018-19 has been increased to 179 MMT. It is 5 MMT higher compared to forecast for last year and higher by 3 MMT compared to 2016-17.
- Consumption has been increased by 2 MMT to 744 MMT for 2018-19. The projection is higher by 6 MMT compared to 2016-17.
- Carryout for 2018-19 is projected at 253 MMT compared to forecast of 256 MMT last year. It is higher by around 13 MMT compared to estimate of 2016-17.

CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	4-Apr-18	28-Mar-18	7-Mar-18	4-Jan-18	5-Oct-17	4-Apr-17	
May-18	167.44	163.68	182.69	164.04	174.06	184.25	-9.12
Jul-18	173.78	170.01	188.48	168.73	178.56	186.73	-6.94
Sep-18	180.03	176.17	194.35	173.69	184.07	190.59	-5.54
Dec-18	188.20	184.07	201.61	180.03	191.05	195.27	-3.62
Mar-19	194.35	189.95	206.66	184.34	195.64	198.58	-2.13
May-19	197.75	193.16	208.41	185.81	197.29	199.13	-0.69

CBOT May-18

1st Support: 156.00
2nd Support: 154.00
1st Resistant: 190.00
2nd Resistant: 192.00
(\$ per tonne)

Wheat touched month low at \$ 4.41 a bushel on 29th Mar'18. U.S. export sales in the month of March (02nd-22nd Mar) are 781800 tonnes compared 831000 tonnes in February'18. As per report released by USDA on March 29, U.S. total spring planted area is expected to be around 14.1 million acres up by around 12 percent compared to 2017-18.

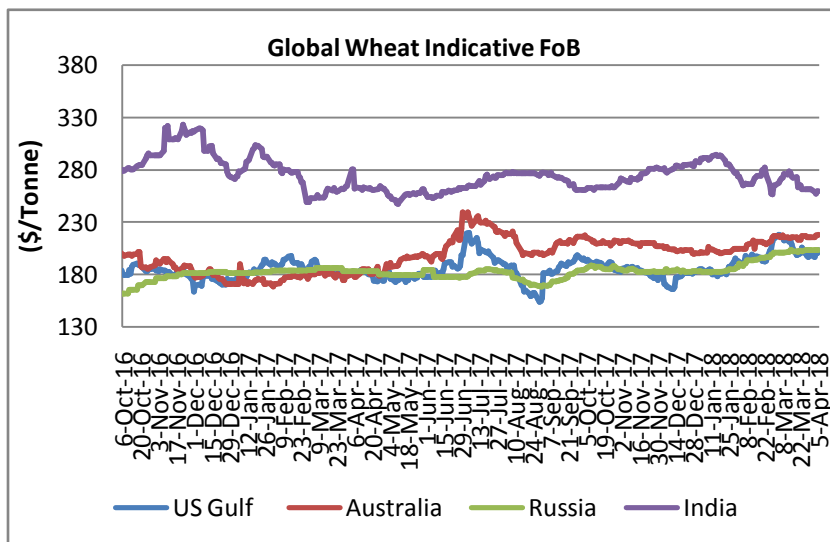


International FOB Weekly Price Movement (USD/T)

Indian FoB quote is based on local price. There is no export in bulk currently. Indian FoB quote is hovering between \$257.61-261.78 per tonne.

US and Russian quotes are hovering in the range of \$200.23 and \$203.50 per tonne respectively. Wheat prices in international markets witnessed steady to slightly firm tone last week.

Wheat quotes are expected to trade steady to weak and hover in the range of \$190 to \$230 in coming week.



International Weekly Outlook:

Global wheat market is expected to trade steady to weak due to ample availability. EU is likely to produce around 148.3 MMT in 2018-19 compared to 151.2 MMT in 2017-18. Russia and Ukraine are likely to harvest 74.50 MMT and 26.7 MMT of wheat in 2018-19 respectively. Production in US is likely to be around 48.30 MMT compared to last year's 47.40 MMT due to fall in area sowed. Australia is likely to produce 24.20 MMT in 2018-19 compared to 21.20 MMT in 2017-18 as acreage is likely to return to normal level. Argentina is expecting to harvest around 17.1 MMT in 2018-19 compared to 18.5 MMT in 2017-18. Furthermore, Canada is likely to harvest around 29.9 MMT in 2018-19 compared to 30.0 MMT in 2017-18.

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