

Wheat Domestic Fundamentals:

Steady to high tone witnessed in Wheat spot markets today on improved demand. Prices are remain strong in Gujarat markets as farmers are not releasing their stocks at the current level. They want better profit margin. There is enough stockpiles with the traders so far.

Indian FOB quote is hovering down at \$302.67 per tonne on 13th December 2018 as compared to 309.62 per tonne in previous week. While, it is high in USA (Chicago), France, Australia and Russia at \$235.10, \$250.39, \$250.39 and \$226 per tonne respectively against last week record. The FOB prices are high from its previous year prices in the corresponding period of time. Therefore, we expect to improve export demand this year.

All India weekly average prices inched up by 1.16 percent to Rs. 2106.32 per quintal during the week ended 9-13 December 2018 supported by a significant level of price rise in Gujarat, Karnataka, Maharashtra, Odisha, Uttar Pradesh and West Bengal. Wheat average price in India were hovering at Rs 2082.14 per quintal during 1-6 December 2018. As compared to prices in the week 9-13 December 2017, the current week prices are firm by 18.70 percent. Higher exports demand against less supplies may support Wheat prices to go up in domestic market. Traders may hold their stocks in expectation of higher profit margin.

According to latest update of ministry, area sown until 7th December '18 is 194.49 lakh hectares compared to 190.90 lakh hectares in the previous Rabi season. It is down by 10.76% against previous week record however, 1.88% higher from last year record during the same period of time. The normal area is 306.26 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. Major wheat growing states of India as Madhya Pradesh, Punjab, Chhattisgarh, Assam have reported higher sowing area followed by 1.58 lakh Ha., 0.15 lakh Ha., 0.12 lakh Ha. and 0.03 lakh Ha. respectively. While, less area has been covered in main growing states of India as Uttar Pradesh (11.25 lakh Ha.) Bihar (3.98 lakh Ha.) Gujarat (2.77 lakh Ha.) Maharashtra (2.44 lakh Ha.) so far.

As per local traders, farmers are likely to switch from Pulses to Wheat crop in expectation of better profit margin in this season. Madhya Pradesh, Chhattisgarh, Bihar reported lower sowing area as of now due to scanty rainfall. Wheat acreage is likely to go up in the northern region, mainly in Uttar Pradesh and Madhya Pradesh. Punjab and Haryana have finished sowing area of this season. Wheat crop germinates better in wintery conditions. Wheat sowing has been delayed due to late maturity of paddy in this season. Falling temperatures is favorable for wheat crop cultivation. On the other hand, drought in Australia may lower global Wheat crop size.

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:

CBOT future prices closed higher on Thursday supported by rising demand of Egypt. Egypt bought higher quantity of Romanian and Russian wheat at 180,000 metric tons for early February arrival on the average price of 242 U.S. dollars per metric ton, which is high from 237 dollars for the tender last week. It has also bought 120,000 metric tons from U.S. suppliers last week. Strong demand and increasing world prices played a major role to rise the futures prices so far to the highest level since September 2018.

As per WASDE recent report of December month, EU is likely to produce around 137.60 MMT in 2018-19 compared to 151.26 MMT in 2017-18. Russia and Ukraine are likely to harvest 70 MMT and 25 MMT of wheat in 2018-19 respectively. Production in US is likely to be around 51.3 MMT compared to last year's 51.29 MMT. Australia is likely to produce 17 MMT in 2018-19 compared to 21.30 MMT in 2017-18. Argentina is expecting to harvest around 19.50 MMT in 2018-19 compared to 18.5 MMT in 2017-18. Furthermore, Canada is likely to harvest around 31.80 MMT in 2018-19 compared to 29.98 MMT in 2017-18.

According to the recent USDA report, total shipment of U.S wheat are lowered by 25 million bushels to 1.0 billion with all of the reduction in Hard Red Winter (HRW) on historically low exports for this class in the first half of the 2018/19 marketing year (MY) due to rising exports demand of Hard Red Spring and Soft Red Winter. The projected season-average farm price is up \$0.05 per bushel at the midpoint with the range narrowed to \$5.05 to \$5.25. Wheat supplies of the world are increased 0.8 million tons followed by higher Russian carrying stocks and a larger Canadian crop more than offset a reduction in Australian production.

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

Wheat Futures Contact: NCDEX Price							Date: 14.12.2018 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	+20	2111	2127	2111	2122	80	-200	460	20
19-Feb	Unch	2180	2180	2180	2180	-	-	-	-
19-Mar	Unch	2215	2215	2215	2215	-	-	-	-

Spread	Jan-19	Feb-19	Mar-19
Spot Narella			
19-Jan	62		
19-Feb		58	
19-Mar			35

Stocks	Demat	In-Process	Total	EDD
	13.Dec.18	13.Dec.18	13.Dec.18	26.Nov.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 08.12.2018

Centre	Market	Variety	Prices (Rs/Qt)		Change
			14-Dec-18	13-Dec-18	
Delhi	Lawrence Road	Mill Delivery	2070	2080	-10
	Narella	Mill Quality Loose	2060	2060	Unch
	Nazafgarh	Mill Quality Loose	2000	1990	10
Gujarat	Rajkot	Mill Delivery	2005	2000	5
	Ahmedabad	Mill Delivery	2170	2160	10
	Surat	Mill Delivery	2210	2210	Unch
	Dhrol	Mill Quality Loose	2255	2210	45
M.P.	Indore	Mill Delivery	2020	1950	70
	Bhopal	Mill Quality Loose	1920	1930	-10
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2025	2025	Unch
	Mathura	Mill Quality Loose	1875	1875	Unch
	Kosi	Mill Quality Loose	1970	1975	-5
	Hathras	Mill Quality Loose	1935	1930	5
	Aligarh	Mill Quality Loose	1840	1830	10
Punjab	Khanna	Mill Quality Loose	1960	1950	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1970	1970	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2340	2340	Unch
	Madurai	Mill Quality	2397	2397	Unch
	Coimbatore	Mill Quality	2397	2397	Unch
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Dec-18	13-Dec-18	
Gujarat	Rajkot	Lokwan	2160	2150	10
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2150	50
	Bina	Sarbati 306	2925	2925	Unch
Rajasthan	Kota	LokwanBilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Dec-18	13-Dec-18	
Delhi	Lawrence Road	Mill Delivery	7000	5500	1500
	Narella	Mill Quality Loose	300	400	-100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	400	500	-100
	Dhrol	Mill Quality Loose	12	13	-1
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	1500	1500	Unch
U.P.	Kanpur	Mill Quality Loose	450	450	Unch
	Mathura	Mill Quality Loose	2000	3000	-1000
	Kosi	Mill Quality Loose	150	150	Unch
	Hathras	Mill Quality Loose	85	85	Unch
	Aligarh	Mill Quality Loose	250	400	-150
Punjab	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	300	400	-100

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

Wheat Products Delhi	14-Dec-18	13-Dec-18	Change
Atta (50kg) Ordinary	1150	1150	Unch
Maida Grade 1 (50KG)	1230	1230	Unch
Suji (50kg)	1300	1300	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1250	1250	Unch
Chakki Atta (50kg) Special	1275	1275	Unch
Chakki Atta (90kg) Superfine	2315	2315	Unch
Chakki Atta (50kg) Superfine	1285	1285	Unch

Wheat (CBOT) Future Price: 13.12.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	526.25	527.75	526.25	527.75	12.50
19-Mar	527.25	538.50	527.25	536.00	9.50
19-May	533.75	544.25	533.00	541.75	9.50
19-Jul	539.25	549.50	539.25	547.50	8.75
19-Sep	547.00	556.25	547.00	554.50	8.25
19-Dec	559.00	567.00	558.75	565.75	7.75

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