

Market Updates:

23rd Feb 2018

Indian traders sign deals to import nearly 90,000 tn wheat from Australia at \$255/tn(after 20% import duty nearly \$306/tn). Indian traders have signed fresh deals to import nearly 90,000 tn of wheat from Australia as prices are at parity despite the 20% duty. Australian wheat is being sold for \$255 per tn, which after applying 20% import duty comes to nearly \$306 per tn, landed cost. When converted to Indian rupees, the imported Australian wheat would be available for 19,850 rupees per tn, while the same quality, high-protein wheat from Madhya Pradesh is being sold for around 20,000 rupees per tn. Prices of wheat in Madhya Pradesh have gone up after the announcement of bonus on the minimum support price. The sentiment continues to be bullish amid speculations of minimum support price hike for the entire country. If the government raises the import duty to 40%, the vessels may be diverted to other countries

IGC pegs 2017-18 global wheat output marginally lower at 757.1 MMT. International Grains Council has slashed its estimate for global wheat and maize output, but kept its forecast for global rice production largely unchanged. The council has pegged global wheat output in 2017-18 at 757.1 mln tn, marginally lower from 757.4 mln tn projected a month ago, mainly due to a smaller crop in the European Union, it said in its monthly report. The likely fall in output in the EU is expected to be largely offset by higher production estimates for Argentina, Kazakhstan, and Ukraine. The agency kept global wheat carryover stocks estimate largely unchanged at 254.5 mln tn, but decreased consumption forecast to 742.9 mln tn from 743.6 mln tn projected a month ago. Global wheat stocks may, however, come down in 2018-19 as both area and average yields are likely to fall.

Iran to export wheat to Indonesia. Iran plans to export surplus wheat to Indonesia, the Islamic Republic's commercial attache to Indonesia. The PR department of the Trade Promotion Organization of Iran(TPOI) quoted Karami as saying that Indonesia is estimated to become the world's biggest wheat importer in 2018, importing 12.5 million tons of the staple agricultural product. The South eastern Asian country can be considered as main destination of Iran's wheat exports, given the fact that the Islamic Republic plans to increase its wheat output.

CBOT wheat rises as IGC cuts global output view. Futures contracts of wheat traded higher on the CBOT after the International Grains Council reduced the estimate for global wheat output in its monthly report. The council pegged global wheat output in 2017-18 at 757.1 mln tn, marginally lower from 757.4 mln tn projected a month ago, mainly due to a smaller crop in the European Union. Weakness in the US dollar against major currencies also supported demand as it made the commodity cheaper for those holding other currencies.

Australia's high-protein wheat production rises on dry weather. The Asia-Pacific is this year likely to import less of the high-protein wheat used to churn out food such as noodles and pizza as growers in the region ramp up output. Australia, the world's No.4 wheat exporter, has harvested larger volumes of protein-rich hard wheat in the 2017/18 crop year, while the amount of land dedicated to growing wheat in China is expected to be the biggest in five years, with traders saying high-quality grain will make up an increasing chunk of that.

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EU wheat supported by Chicago bounce, slow farmer selling. European wheat markets steady as a slight rebound in Chicago futures and slow farmer selling underpinned prices in the face of lagging export activity. Traders were monitoring an intense cold spell building across Europe but said it was too early to talk of crop damage. May milling wheat on the Paris-based Euronext exchange settled 0.50 euro, or 0.3 percent, higher at 163.50 euros (\$201.68) a tonne, equalling Tuesday's three-week peak. However, the contract continued to face chart resistance at that level. There is still very little selling pressure from 2017 crop even though it's nearly March," a French cash broker said. "The market is tracking the incoming cold spell but that's not prompting any precautionary buying.

EU wheat exports down 19% YOY. EU wheat exports continue to lose ground on previous years, with 135,143 mt of wheat leaving in the week to February 21. Tough global competition has seen Russia, Argentina and Canada steam ahead at the EU's expense this year, while a stronger euro has only exacerbated the problem for European sellers. Total EU wheat exports now stand at 13 million mt, 19% lower than at the same stage last year. And while separate European Commission data shows intra-EU demand picking up some of the slack in export volumes, total sales between member states are still down on the same stage as last year. France was again the only exporter of note in the week, selling 91,800 mt to take its total for the 2017/18 marketing year to 4.52 MMT.

CBOT wheat (in cents/bushel) as on: 22nd February 2018: Firm sentiments witnessed in market.

Month	Open	High	Low	Close	Change
Mar-18	447.8	452.0	444.8	451.3	4.0
May-18	460.3	465.0	457.0	464.3	4.8
Jul-18	474.8	479.5	471.0	479.0	4.3
Sep-18	490.5	495.5	488.5	495.3	4.0
Dec-18	512.0	517.0	509.5	516.3	3.8
Mar-19	527.0	532.5	525.3	531.8	3.5
May-19	535.3	536.8	535.3	536.8	3.8
Jul-19	530.0	537.3	529.3	536.0	4.0

Wheat FOB (USD/MT)

Origin- Variety	23-02-2018	22-02-2018
Ukraine-11.5%-SRW	192-195	192-195
Ukraine-12.5%-SRW	199-200	199-200
Russia-12.5	199-200	199-200
Romania Feed	187-188	187-188
France-feed	187-188	187-188
Germany-Feed	187-188	187-188
Argentina 12%	183	183
Australia -APW	242	242
USA-SRW	200	200

Australian Wheat FOB at CBOT (In USD/MT)

Month	22-02-2018	21-02-2018
Feb-18	237.75	237.75
Mar-18	239.75	240
Apr-18	240.25	240.5
May-18	240.75	241
Jun-18	241	241.25
Jul-18	241.25	241.5
Aug-18	241.5	241.75
Sep-18	241.75	241.75
Oct-18	241.75	242
Nov-18	242	242.25
Dec-18	242.25	242.5
Jan-19	241.75	241.75

Eastern Australian Wheat (In AUD/MT)

Month	23-02-2018	22-02-2018
Mar-18	270	270.5
May-18	274.5	274.1
Jul-18	278.3	277.7
Sep-18	278.3	277.7
Jan-19	282.4	283.6
Jan-20	296.7	297.9
Jan-21	296.7	297.9

WA Wheat Futures (In AUD/MT)

Month	23-02-2018	22-02-2018
Mar-18	332	332
May-18	332	332
Jul-18	332	332
Sep-18	332	332
Jan-19	352.5	352.5
Jan-20	352.5	352.5
Jan-21	352.5	352.5

Currency Reference:

Currency Vs INR	23-02-2018	22-02-2018
USD	64.8	65.0

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GBP	90.4	90.4
EURO	79.8	79.8
YEN	60.6	60.6

NCDEX Wheat Future (in INR /Qtl.) as on 23rd Feb 2018: Market witnessed firm sentiments in nearby contract.

Expiry Date	+/-	Open	High	Low	Close	Vol	OI	Basis (Spot-Future)	Calendar Spread (Near Month-Far Month)
20-Feb-18	15	1750	1750	1720	1750	40	10	60.1	NA
20-Mar-18	18	1795	1800	1770	1791	2090	7270	19.1	-41
20-Apr-18	27	1750	1770	1750	1770	250	370	40.1	21
18-May-18	-	0	0	0	1751	0	0	59.1	19
20-Jun-18	-	0	0	0	1761	0	0	49.1	-10

*Exp. Dt. = Contract Expiry Date

NCDEX Spot Price (in INR. /Qtl.): Mostly firm witnessed in the spot markets.

Location	23-02-2018	22-02-2018
Delhi	1809	1810
Indore	1795	1730
Kanpur	1675	1770
Kota	1723	1807
Rajkot	1760	1700

NCDEX Wheat Stock position* at approved warehouses (Quantity in MT)

Location	22-02-2018	21-02-2018
Kota	5074	5074
Total	5074	5074

*(total quantity including quantity in progress)

NCDEX Wheat EDD Wise Stock Position (Quantity in MT)

Location	EDD	19-02-2018	13-02-2018
Kota	05-Apr-18	5074	5074
Total		5074	5074

Wheat Prices in Domestic Markets (in INR /Qtl.): Mostly firm movement witnessed in the market.

State	Market	Variety	Feb 23	Feb 22
Punjab	Khanna	FAQ	1735	1735
Rajasthan	Alwar	Mill Quality (Mill Delivery)	1710	1705

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Uttar Pradesh	Hapur	Mill Quality (Mill Delivery)	1740	1720
Gujarat	Rajkot	Mill Quality (Loose)	1665	1650
Tamil Nadu	Madurai	Lokwan (Mill Delivery)	2255	2270
Haryana	Dabwali	Mill Quality (Loose)	1730	1720
Uttar Pradesh	Kanpur	Mill Quality (Mill Delivery)	1735	1745
Uttar Pradesh	Mathura	FAQ	1645	1675
Gujarat	Ahmedabad	Mill Quality (Loose)	1825	1875
Tamil Nadu	Madurai	Mill Quality (Mill Delivery)	2177	2172
Madhya Pradesh	Indore	Mill Quality (Loose)	1755	1760
Madhya Pradesh	Indore	Mill Quality (Mill Delivery)	1860	1855
Haryana	Hodal	Mill Quality (Mill Delivery)	1630	1610
Rajasthan	Kota	FAQ	1660	1660
Uttar Pradesh	Kanpur	Mill Quality (Loose)	1660	1670
Delhi	Delhi (Lawrence Road)	FAQ	1810	1805
Tamil Nadu	Chennai	Lokwan (Mill Delivery)	2210	2225
Tamil Nadu	Coimbatore	Lokwan (Mill Delivery)	2265	2265
Madhya Pradesh	Indore	Lokwan (Loose)	2210	2205
Delhi	Delhi (Narella)	FAQ		1705
Delhi	Delhi (Najafgarh)	FAQ	1710	1715
Gujrat	Surat	Mill Quality (Loose)	1905	1915
Haryana	Panipat	Mill Quality (Loose)	1630	1625
Gujarat	Rajkot	Mill Quality (Mill Delivery)	1770	1750
Uttar Pradesh	Bareilly	FAQ	1680	1690
Uttar Pradesh	Kirawali	Mill Quality (Mill Delivery)		1676
Tamil Nadu	Coimbatore	Mill Quality (Mill Delivery)	2177	2167
Rajasthan	Bharatpur	Mill Quality (Mill Delivery)	1645	1655
Tamil Nadu	Chennai	Mill Quality (Mill Delivery)	2120	2110

Wheat Port Line Up as on 30 January 2018

PORT	STATUS	VESSEL NAME	ETA	QTY MTS	LOADPORT	RECEIVER	CHARTERER
TUTICORIN	ANCHORAGE	RIVA WIND (SHIFTED TO ANCHORAGE)	12.12.17	21036	YUZHNY, UKRAINE	SHADI RAM & SONS	TBA
MANGALORE	SAILED	N I L					

ETC = Expected Time of Cargo,

QTY MT = Quantity in MT

IMP/EXP = Import/Export

India Weather Updates: Winter Monsoon Rainfall (in mm) from 01 January to 21 Feb 2018

Region	Actual	Normal	% Departure from Long Period Average
All India	12.7	35.4	-64
East & Northeast India	17.2	45.7	-62
Northwest India	19.8	66.9	-70
Central India	6.7	14.0	-52
South Peninsula	8.5	12.9	-34

Ukraine Wheat Price (In RPH/MT)

Market	Variety	05-02-2018	01-02-2018
Kiev (Київська)	2kl	5290	5310
	3kl	5150	5150
	6kl	5030	5030
Cherkasy (Черкаська)	2kl	5330	5330
	3kl	5170	5170
	6kl	5020	5000
Poltava (Полтавська)	2kl	5350	5350
	3kl	5150	5010
	6kl	5030	5150
Kirovograd (Кіровоградська)	2kl	5280	5280
	3kl	5180	5180
	6kl	5070	5050
Dnipropetrovsk (Дніпропетровська)	2kl	5290	5310
	3kl	5100	5100
	6kl	4960	4960
Mykolaiv (Миколаївська)	2kl	5630	5630
	3kl	5500	5500
	6kl	5420	5400
Vinnytsia (Вінницька)	2kl	5180	5200
	3kl	5030	5030
	6kl	4870	4850
Volyn (Волинська)	2kl	4880	4900
	3kl	4680	4680
	6kl	4570	4570
Lviv (Львівська)	2kl	4970	4970
	3kl	4860	4860
	6kl	4630	4630
	2kl	5030	5030

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Ivano-Frankivsk (Івано-Франківська)	3kl	4890	4890
	6kl	4710	4690