

Wheat Domestic Fundamentals:

As per latest update, area sown until 18th January'19 was 296.05 lakh hectares compared to 303.87 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 and U.P. is higher as farmers have shifted from chickpea and other pulses. This year, as on 18th January'19, farmers have sowed 59.00 lakh hectares of wheat in Madhya Pradesh compared to 58.03 Lakh hectares last year on same date. Area in UP was registered at 98.46 lakh ha.

All India weekly average prices decreased by 0.94 percent to Rs. 2147.23 per quintal during the week ended 15th January 2019. Wheat average price were ruling at Rs 2167.57 per quintal during 01-08 January 2019. As compared to prices in the week 09-15 January 2018, the prices are firm by 15.40 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

As per market sources, wheat stock in central pool as on 1st January'19 stood at 271.00 lakh tonnes down by 11.52% compared to last month. This quantity is higher by around 38.53% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st January'19 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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.

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:

Jordan has bought 60000 tonnes of hard milling wheat at \$269.95 per tonne cost and freight for delivery in first half of March. The tender closed on Tuesday and wheat can be sourced from optional origin. The seller was trading house Ameropa. Two other companies, CHS and Cereals com Dolj offered wheat at \$275.54 per tonne and \$272.70 per tonne respectively.

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 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.

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.

Wheat Futures Contact: NCDEX Price							Date: 21.01.2019 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-Feb	19	2013	2056	2024	2024	290	250	60	-145
19-Mar	0	2077	2077	2077	2077	0	0	0	0
19-Apr	0	2122	2122	2122	2122	20	0	0	-20

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-50		
19-Mar		57	
19-Apr			45

Stocks	Demat	In-Process	Total	EDD
	17.Jan.19	17.Jan.19	17.Jan.19	14.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	660	0	660	660
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 21.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Jan-19	19-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2070	2070	Unch
	Nazafgarh	Mill Quality Loose	2030	2020	10
Gujarat	Rajkot	Mill Delivery	2040	2045	-5
	Ahmedabad	Mill Delivery	2190	2180	10
	Surat	Mill Delivery	2260	2240	20
	Dhrol	Mill Quality Loose	2210	2380	-170
M.P.	Indore	Mill Delivery	2150	2100	50
	Bhopal	Mill Quality Loose	1960	1960	Unch
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2070	2070	Unch
U.P.	Kanpur	Mill Delivery	2000	1990	10
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	2030	2010	20
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	1970	1950	20
Punjab	Khanna	Mill Quality Loose	1950	1950	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1935	1935	Unch

	Hodal	Mill Delivery	2050	2050	Unch
	Bhiwani	Mill Quality Loose	2070	2020	50
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2150	2150	Unch
	Muzaffarpur	Mill Delivery	2100	2120	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Jan-19	19-Jan-19	
Gujarat	Rajkot	Lokwan	2200	2200	Unch
M.P.	Indore	Lokwan	2350	2300	50
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	NA	2900	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Jan-19	19-Jan-19	
Delhi	Lawrence Road	Mill Delivery	3000	5500	-2500
	Narella	Mill Quality Loose	300	400	-100
	Nazafgarh	Mill Quality Loose	60	50	10
Gujarat	Rajkot	Mill Quality Loose	400	300	100
	Dhrol	Mill Quality Loose	21	35	-14
M.P.	Indore	Mill Quality Loose	900	1000	-100
Rajasthan	Kota	Mill Quality	2500	2000	500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	200	200	Unch
	Kosi	Mill Quality Loose	350	200	150
	Hathras	Mill Quality Loose	30	10	20
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	60	-10

	Bhiwani	Mill Quality Loose	400	400	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	21-Jan-19	19-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: 18.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	511.50	522.50	509.00	517.75	5.25
19-May	516.75	527.50	514.75	523.00	5.00
19-Jul	522.50	532.25	520.25	528.25	5.25
19-Sep	531.00	540.50	529.00	536.75	5.25
19-Dec	545.00	553.50	542.75	549.75	4.75
20-Mar	554.75	562.00	553.00	559.00	4.25

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