

Wheat Domestic Fundamentals:

As per latest update, rainfall in Punjab and Haryana has brought a great relief for farmers. Slow and continuous rain is expected to last until Wednesday. This rain will not only reduce the burden on groundwater but also increase productivity of the standing crop. However, farmers are also being advised to watch out for yellow rust, as it spreads with low temperature and strong winds.

As per latest update, area sown until 18th January'18 is 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 is higher as farmers have shifted from chickpea. This year, as on 18th 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.

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 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:

Wheat prices remained firm as Russia may curb exports to boost domestic supplies. In case Russia restricts exports, buyers may seek supplies from United States. USDA expects Russian wheat exports to be around 36.5 MMT in 2018-19 compared to 41.4 MMT last year. Furthermore, United States is expected to export 27.2 MMT of wheat compared to 24.5 MMT last year.

Russian milling wheat prices became firm by \$3 per tonne at Novorossiysk and \$2-3 per tonne at Odessa compared to last week. Wheat prices were firm due to restrained supplies in the second half. 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 \$238.00-243.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$237.00-242.00/tonne.

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 Cerealcon Dolj offered wheat at \$275.54 per tonne and \$272.70 per tonne respectively.

Drought in Australia has led Agrocop 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: 23.01.2019 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	+6	2001	2011	2000	2011	60	-10	290	+10
19-Mar	0	2100	2100	2100	2100	0	0	0	0
19-Apr	0	2151	2151	2151	2151	0	0	0	-20

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-59		
19-Mar		89	
19-Apr			51

Stocks	Demat	In-Process	Total	EDD
	22.Jan.19	22.Jan.19	22.Jan.19	21.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	660	0	660	660
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 23.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jan-19	22-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	Closed	2070	-
	Nazafgarh	Mill Quality Loose	Closed	2030	-
Gujarat	Rajkot	Mill Delivery	2030	2035	-5
	Ahmedabad	Mill Delivery	2190	2180	10
	Surat	Mill Delivery	2250	2250	Unch
	Dhrol	Mill Quality Loose	2210	2165	45
M.P.	Indore	Mill Delivery	2150	2150	Unch
	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	2000	Unch
	Mathura	Mill Quality Loose	1850	1860	-10
	Kosi	Mill Quality Loose	2040	2050	-10
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	Closed	1970	-
Punjab	Khanna	Mill Quality Loose	1950	1950	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1930	1935	-5
	Hodal	Mill Delivery	2060	2050	10

	Bhiwani	Mill Quality Loose	2025	2025	Unch
	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	2125	2100	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jan-19	22-Jan-19	
Gujarat	Rajkot	Lokwan	2175	2200	-25
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	Closed	2900	-
Rajasthan	Kota	Lokwan Bilty	2175	2150	25
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jan-19	22-Jan-19	
Delhi	Lawrence Road	Mill Delivery	5500	5000	500
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	60	-
Gujarat	Rajkot	Mill Quality Loose	600	400	200
	Dhrol	Mill Quality Loose	4	8	-4
M.P.	Indore	Mill Quality Loose	800	1000	-200
Rajasthan	Kota	Mill Quality	1000	1000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	300	300	Unch
	Kosi	Mill Quality Loose	100	150	-50
	Hathras	Mill Quality Loose	30	30	Unch
	Aligarh	Mill Quality Loose	Closed	200	-
Punjab	Khanna	Mill Quality Loose	400	300	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	40	10
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	23-Jan-19	22-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:22.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	518.00	526.00	514.25	521.25	3.50
19-May	524.00	531.25	520.25	527.00	3.50
19-Jul	527.75	536.00	525.50	532.75	4.00
19-Sep	536.75	544.00	534.00	541.25	4.50
19-Dec	549.50	556.50	547.50	554.50	4.50
20-Mar	563.00	565.50	557.50	564.00	4.50

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