

**Wheat Domestic Fundamentals:**

**Government has offered 8644650 tonnes of wheat in OMSS since July until fourth tender in January out of which 5829850 tonnes was sold.** Total numbers of rakes sold were 112. State government and bulk consumers bought 564600 tonnes and 4968450 tonnes of wheat respectively. 296800 tonnes was sold in dedicated movement. Government will sell wheat in open market at a reserve price of Rs 1900 per quintal in the second quarter i.e. July-September. For third and fourth quarter prices will be Rs 1925 per quintal and Rs 1950 per quintal respectively.

**Rajasthan government will provide wheat at Rs 1 per kg to below poverty line.** This will benefit around 1.53 crore people. Furthermore, this would also help in reducing oversupply due to prospect of good production in MY 2019-20. Government will also bring special packages for farmers who pay their loan on time.

**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.

**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:**

**The state grains agency of Tunisia has purchased around 100000 tonnes of soft milling wheat** in a tender which closed on Wednesday. The soft milling wheat can be sourced from optional origins and has been purchased at \$259.22-259.25 a tonne (Cost and Freight). The said quantity has to be shipped between February and March.

**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.

**Outlook:** Cash market is likely to trade steady to weak in the near term.

Wheat Futures Contact: NCDEX Price							Date: 25.01.2019 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	+2	2019	2050	2003	2021	130	70	240	0
19-Mar	0	2100	2100	2100	2100	0	0	0	0
19-Apr	0	2087	2087	2087	2087	0	0	20	0

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-49		
19-Mar		79	
19-Apr			-13

Stocks	Demat	In-Process	Total	EDD
	24.Jan.19	24.Jan.19	24.Jan.19	21.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	660	0	660	660
Baran	-	-	-	-

### Wheat Daily Prices and Arrivals on 25.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jan-19	24-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2070	2080	-10
	Nazafgarh	Mill Quality Loose	2080	2040	40
Gujarat	Rajkot	Mill Delivery	2030	2025	5
	Ahmedabad	Mill Delivery	2200	2180	20
	Surat	Mill Delivery	2250	2240	10
	Dhrol	Mill Quality Loose	2275	2175	100
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	1840	10
	Kosi	Mill Quality Loose	2030	2050	-20
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	1950	1950	Unch
Punjab	Khanna	Mill Quality Loose	1950	1950	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1930	1930	Unch
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2030	2025	5
	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	2120	2125	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jan-19	24-Jan-19	
Gujarat	Rajkot	Lokwan	2175	2200	-25
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	2900	2900	Unch
Rajasthan	Kota	Lokwan Bilty	2175	2175	Unch
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Jan-19	24-Jan-19	
Delhi	Lawrence Road	Mill Delivery	5500	6000	-500
	Narella	Mill Quality Loose	150	300	-150
	Nazafgarh	Mill Quality Loose	50	40	10
Gujarat	Rajkot	Mill Quality Loose	400	400	Unch
	Dhrol	Mill Quality Loose	10	8	2
M.P.	Indore	Mill Quality Loose	600	600	Unch
Rajasthan	Kota	Mill Quality	900	1200	-300
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	260	280	-20
	Kosi	Mill Quality Loose	250	140	110
	Hathras	Mill Quality Loose	2	10	-8
	Aligarh	Mill Quality Loose	100	200	-100
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	600	800	-200

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

Wheat Products Delhi	25-Jan-19	24-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:24.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	527.00	529.00	521.00	521.50	-4.50
19-May	532.75	534.75	527.50	528.25	-3.50
19-Jul	538.75	540.25	533.50	534.00	-3.50
19-Sep	546.75	548.00	541.50	542.25	-3.50
19-Dec	559.50	560.75	554.25	555.25	-3.25
20-Mar	569.00	569.00	563.75	564.25	-3.25

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