

Wheat Domestic Fundamentals:

As per latest update, area sown until 24th January'18 is 296.37 lakh hectares compared to 304.08 lakh hectares in the previous Rabi season. The normal area is 306.29 lakh hectares. Acreage of wheat in Madhya Pradesh is higher as farmers have shifted from chickpea. This year, as on 24th 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. Lower acreage was reported in Maharashtra and Gujarat due to low availability of water.

All India weekly average prices decreased by 3.26 percent to Rs. 2077.20 per quintal during the week ended 23rd January 2019. Wheat average price were ruling at Rs 2147.23 per quintal during 09-15 January 2019. As compared to prices in the week 16-23 January 2018, the prices are firm by 11.22 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

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.

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: 28.01.2019 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	-1	2021	2021	2020	2020	30	-100	250	+10
19-Mar	0	2097	2097	2097	2097	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	-50		
19-Mar		77	
19-Apr			-10

Stocks	Demat	In-Process	Total	EDD
	25.Jan.19	25.Jan.19	25.Jan.19	21.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	415	0	415	660
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 28.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Jan-19	25-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2070	2070	Unch
	Nazafgarh	Mill Quality Loose	2030	2080	-50
Gujarat	Rajkot	Mill Delivery	2020	2030	-10
	Ahmedabad	Mill Delivery	2180	2200	-20
	Surat	Mill Delivery	2230	2250	-20
	Dhrol	Mill Quality Loose	NR	2275	-
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	1850	Unch
	Kosi	Mill Quality Loose	2050	2030	20
	Hathras	Mill Quality Loose	2070	2100	-30
	Aligarh	Mill Quality Loose	2000	1950	50
Punjab	Khanna	Mill Quality Loose	1950	1950	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1925	1930	-5
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2030	2030	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	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
			28-Jan-19	25-Jan-19	
Gujarat	Rajkot	Lokwan	2150	2175	-25
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbat 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
			28-Jan-19	25-Jan-19	
Delhi	Lawrence Road	Mill Delivery	5000	5500	-500
	Narella	Mill Quality Loose	400	150	250
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	500	400	100
	Dhrol	Mill Quality Loose	NR	10	-
M.P.	Indore	Mill Quality Loose	500	600	-100
Rajasthan	Kota	Mill Quality	1000	900	100
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	250	260	-10
	Kosi	Mill Quality Loose	250	250	Unch
	Hathras	Mill Quality Loose	NA	2	-
	Aligarh	Mill Quality Loose	150	100	50
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(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	700	600	100

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

Wheat Products Delhi	28-Jan-19	25-Jan-19	Change
Atta (50kg) Ordinary	1200	1190	10
Maida Grade 1 (50KG)	1190	1190	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	860	870	-10
Chokar (34 kg)	580	580	Unch
Chakki Atta (50kg)	1310	1300	10
Chakki Atta (50kg) Special	1330	1320	10
Chakki Atta (90kg) Superfine	2400	2360	40
Chakki Atta (50kg) Superfine	1340	1330	10

Wheat (CBOT) Future Price:25.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	520.50	523.00	516.75	520.00	-1.50
19-May	527.50	529.75	523.50	527.00	-1.25
19-Jul	533.25	535.25	529.25	533.00	-1.00
19-Sep	542.00	543.50	537.75	541.00	-1.25
19-Dec	554.50	556.25	550.75	553.75	-1.50
20-Mar	564.50	564.50	559.75	563.00	-1.25

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