

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:

Taiwan flour mills association has bought 55000 tonnes of milling wheat from united states. Of the total quantity, 27487 tonnes of U.S. dark northern spring wheat of 14.5 percent protein content bought at FOB \$253.32 per tonne, 19613 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$253.96 per tonne and 7900 tonnes of soft white wheat with 9 percent protein was bought at FoB \$241.56 per tonne. The seller was trading house ADM.

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.

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

Wheat Futures Contact: NCDEX Price							Date: 29.01.2019 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	2020	2020	2020	10	-20	240	-10
19-Mar	0	2107	2107	2107	2107	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	-55		
19-Mar		87	
19-Apr			-20

Stocks	Demat	In-Process	Total	EDD
	28.Jan.19	28.Jan.19	28.Jan.19	28.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	412	0	412	412
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 29.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jan-19	28-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2075	2070	5
	Nazafgarh	Mill Quality Loose	2040	2030	10
Gujarat	Rajkot	Mill Delivery	2020	2020	Unch
	Ahmedabad	Mill Delivery	2180	2180	Unch
	Surat	Mill Delivery	2230	2230	Unch
	Dhrol	Mill Quality Loose	2320	2200	120
M.P.	Indore	Mill Delivery	2150	2150	Unch
	Bhopal	Mill Quality Loose	1950	1960	-10
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2050	2070	-20
U.P.	Kanpur	Mill Delivery	2000	2000	Unch
	Mathura	Mill Quality Loose	1850	1850	Unch
	Kosi	Mill Quality Loose	2050	2050	Unch
	Hathras	Mill Quality Loose	2070	2070	Unch
	Aligarh	Mill Quality Loose	1940	2000	-60
Punjab	Khanna	Mill Quality Loose	1950	1950	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1925	1925	Unch
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2030	2035	-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	2100	2100	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jan-19	28-Jan-19	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2350	2350	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	2900	2900	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2175	-25
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Jan-19	28-Jan-19	
Delhi	Lawrence Road	Mill Delivery	7000	5000	2000
	Narella	Mill Quality Loose	500	400	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	800	500	300
	Dhrol	Mill Quality Loose	22	29	-7
M.P.	Indore	Mill Quality Loose	700	500	200
Rajasthan	Kota	Mill Quality	800	1000	-200
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	200	250	-50
	Kosi	Mill Quality Loose	200	250	-50
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	200	150	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	400	700	-300

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

Wheat Products Delhi	29-Jan-19	28-Jan-19	Change
Atta (50kg) Ordinary	1200	1200	Unch
Maida Grade 1 (50KG)	1190	1190	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	860	860	Unch
Chokar (34 kg)	580	580	Unch
Chakki Atta (50kg)	1310	1310	Unch
Chakki Atta (50kg) Special	1330	1330	Unch
Chakki Atta (90kg) Superfine	2420	2400	20
Chakki Atta (50kg) Superfine	1340	1340	Unch

Wheat (CBOT) Future Price:28.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	520.75	523.50	516.00	518.75	-1.25
19-May	528.50	530.50	523.00	525.50	-1.50
19-Jul	533.50	536.75	529.00	531.25	-1.75
19-Sep	542.25	544.00	537.00	540.00	-1.00
19-Dec	554.75	556.50	550.00	553.25	-0.50
20-Mar	563.50	563.50	559.75	563.25	+0.25

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