

**Wheat Domestic Fundamentals:**

**AAP has proposed MSP with 50% margin at cost of production. This will increase MSP of wheat and paddy to Rs 2616 per quintal and Rs 2667 per quintal respectively.** This will benefit around 20000 kisan families and lead to an additional liability of Rs 96.38 crores. Furthermore, the government will also hold Kisan Jansunwai in Narela and Najafgarh to incorporate suggestions from farmers and other stakeholders.

**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 lone 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, famers are also being advised to watch out for yellow rust, as it spreads with low temperature and strong winds.

**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:**

**As per latest update, Egypt is expected to produce around 9.50 MMT of wheat in 2019 compared to 9.00 last season.** A total of 3.2 million feddans (1.3 million hectares) are expected to be sown compared to 2.9 million feddans last season. Egypt is the largest importer of wheat and procures around 3.0 MMT of wheat from local farmers as part of its subsidized wheat program.

**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.

**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: 31.01.2019 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	4	1986	2000	1990	1990	20	-30	230	-10
19-Mar	0	2111	2111	2111	2111	0	0	0	0
19-Apr	0	2087	2087	2087	2087	0	-20	0	-20

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-70		
19-Mar		121	
19-Apr			-24

Stocks	Demat	In-Process	Total	EDD
	30.Jan.19	30.Jan.19	30.Jan.19	28.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	412
Baran	-	-	-	-

### Wheat Daily Prices and Arrivals on 31.01.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Jan-19	30-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2060	Closed	-
	Nazafgarh	Mill Quality Loose	2040	Closed	-
Gujarat	Rajkot	Mill Delivery	2010	2010	Unch
	Ahmedabad	Mill Delivery	2175	2175	Unch
	Surat	Mill Delivery	2225	2225	Unch
	Dhrol	Mill Quality Loose	2180	2260	-80
M.P.	Indore	Mill Delivery	2100	2150	-50
	Bhopal	Mill Quality Loose	1975	1975	Unch
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	2010	2000	10
	Mathura	Mill Quality Loose	1800	1820	-20
	Kosi	Mill Quality Loose	2050	2030	20
	Hathras	Mill Quality Loose	2070	2070	Unch
	Aligarh	Mill Quality Loose	1940	Closed	-
Punjab	Khanna	Mill Quality Loose	1950	1970	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1920	1920	Unch
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2030	2035	<b>-5</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2400	2400	<b>Unch</b>
	Madurai	Mill Quality	2457	2457	<b>Unch</b>
	Coimbatore	Mill Quality	2457	2457	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	2150	2150	<b>Unch</b>
	Muzaffarpur	Mill Delivery	2100	2100	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Jan-19	30-Jan-19	
<b>Gujarat</b>	Rajkot	Lokwan	2150	2150	<b>Unch</b>
<b>M.P.</b>	Indore	Lokwan	2350	2350	<b>Unch</b>
	Bhopal	Lokwan	2250	2250	<b>Unch</b>
	Bina	Sarbati 306	2800	Closed	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2150	2150	<b>Unch</b>
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Jan-19	30-Jan-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	6000	6500	<b>-500</b>
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	400	400	<b>Unch</b>
	Dhrol	Mill Quality Loose	6	10	<b>-4</b>
<b>M.P.</b>	Indore	Mill Quality Loose	500	700	<b>-200</b>
<b>Rajasthan</b>	Kota	Mill Quality	1000	800	<b>200</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	500	<b>Unch</b>
	Mathura	Mill Quality Loose	320	300	<b>20</b>
	Kosi	Mill Quality Loose	300	250	<b>50</b>
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	200	Closed	-
<b>Punjab</b>	Khanna	Mill Quality Loose	300	500	<b>-200</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	100	100	<b>Unch</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	400	400	<b>Unch</b>

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

Wheat Products Delhi	31-Jan-19	30-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)	1320	1310	10
Chakki Atta (50kg) Special	1340	1330	10
Chakki Atta (90kg) Superfine	2430	2420	10
Chakki Atta (50kg) Superfine	1360	1340	20

Wheat (CBOT) Future Price:30.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	513.25	518.00	511.75	516.75	3.50
19-May	519.25	523.75	517.50	522.50	3.00
19-Jul	525.50	529.25	523.00	528.00	3.00
19-Sep	533.75	538.00	532.25	536.75	2.75
19-Dec	547.75	551.75	546.00	550.25	2.50
20-Mar	558.75	560.50	557.75	560.50	2.25

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.