

Wheat Domestic Fundamentals:

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 December-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 sources, new wheat crop arrivals have started in Madhya Pradesh 15-20 days ahead of schedule. The new crop at Indore was quoted at Rs 2050-2200 per quintal. The prices are higher by around Rs 460 per quintal compared to previous year.

As per latest update, area sown until 01st February-19 is 297.24 lakh hectares compared to 299.34 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 01st February-19, farmers have sowed 59.11 lakh hectares of wheat in Madhya Pradesh compared to 53.16 Lakh hectares last year on same date. Lower acreage was reported in Maharashtra and Gujarat due to low availability of water.

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.

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.

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 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: 01.02.2019 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	1995	2020	1991	1991	20	0	230	0
19-Mar	0	2116	2116	2116	2116	0	0	0	0
19-Apr	0	2087	2087	2087	2087	20	20	20	20

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-69		
19-Mar		125	
19-Apr			-29

Stocks	Demat	In-Process	Total	EDD
	31.Jan.19	31.Jan.19	31.Jan.19	28.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	412
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 01.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Feb-19	31-Jan-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2060	2060	Unch
	Nazafgarh	Mill Quality Loose	2040	2040	Unch
Gujarat	Rajkot	Mill Delivery	2020	2010	10
	Ahmedabad	Mill Delivery	2180	2175	5
	Surat	Mill Delivery	2225	2225	Unch
	Dhrol	Mill Quality Loose	2240	2180	60
M.P.	Indore	Mill Delivery	Closed	2100	-
	Bhopal	Mill Quality Loose	1980	1975	5
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	2010	2010	Unch
	Mathura	Mill Quality Loose	1850	1800	50
	Kosi	Mill Quality Loose	2010	2050	-40
	Hathras	Mill Quality Loose	2070	2070	Unch
	Aligarh	Mill Quality Loose	2000	1940	60
Punjab	Khanna	Mill Quality Loose	1960	1950	10
	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	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	2120	2100	20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			1-Feb-19	31-Jan-19	
Delhi	Lawrence Road	Mill Delivery	5500	6000	-500
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	400	400	Unch
	Dhrol	Mill Quality Loose	10	6	4
M.P.	Indore	Mill Quality Loose	Closed	500	-
Rajasthan	Kota	Mill Quality	1000	1000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	100	320	-220
	Kosi	Mill Quality Loose	200	300	-100
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	100	200	-100
Punjab	Khanna	Mill Quality Loose	300	300	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	400	Unch

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

Wheat Products Delhi	1-Feb-19	31-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	2440	-10
Chakki Atta (50kg) Superfine	1360	1340	20

Wheat (CBOT) Future Price:31.01.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	517.75	520.00	513.50	516.50	-0.25
19-May	523.50	525.50	518.75	521.75	-0.75
19-Jul	529.00	530.75	524.50	527.00	-1.00
19-Sep	537.25	539.50	533.25	535.75	-1.00
19-Dec	551.25	552.75	547.25	549.25	-1.00
20-Mar	558.75	561.75	558.75	559.50	-1.00

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