

Wheat Domestic Fundamentals:

India mainly imports from Australia and Russia. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$357.50 (Rs 25620) per tonne and \$372.50 (Rs 25350) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Therefore, there is no import parity as of now from black sea region and Australia.

All India weekly average prices increased by 2.84 percent to Rs. 2136.21 per quintal during the week ended 31st January 2019. Wheat average price were ruling at Rs 2077.20 per quintal during 16-23 January 2019. As compared to prices in the week 24-31 January 2018, the prices are firm by 17.93 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

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.

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 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:

Russian milling wheat prices became firm by \$0-1 per tonne at Novorossiysk and \$2-3 per tonne at Odessa compared to last week. Wheat prices were firm due restrained supplies and high domestic prices. 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 \$240.00-246.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$240.00-246.00/tonne.

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.

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: 04.02.2019 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	2006	2010	1996	2010	30	0	220	-10
19-Mar	0	2115	2115	2115	2115	0	0	0	0
19-Apr	0	2087	2087	2087	2087	20	0	0	-20

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-50		
19-Mar		105	
19-Apr			-28

Stocks	Demat	In-Process	Total	EDD
	02.Feb.19	02.Feb.19	02.Feb.19	28.Jan.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	412
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 04.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Feb-19	2-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2060	2050	10
	Nazafgarh	Mill Quality Loose	2025	2040	-15
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2175	2175	Unch
	Surat	Mill Delivery	2220	2220	Unch
	Dhrol	Mill Quality Loose	2280	2305	-25
M.P.	Indore	Mill Delivery	Closed	2130	-
	Bhopal	Mill Quality Loose	Closed	1980	-
Rajasthan	Kota	Mill Quality Loose	Closed	1950	-
		Mill Delivery	Closed	2050	-
U.P.	Kanpur	Mill Delivery	2010	2010	Unch
	Mathura	Mill Quality Loose	1900	1850	50
	Kosi	Mill Quality Loose	2015	2020	-5
	Hathras	Mill Quality Loose	2070	2070	Unch
	Aligarh	Mill Quality Loose	1950	1950	Unch
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	2025	2035	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2400	-
	Madurai	Mill Quality	Closed	2457	-
	Coimbatore	Mill Quality	Closed	2457	-
Bihar	Khagariya	Mill Delivery	2150	2150	Unch
	Muzaffarpur	Mill Delivery	2110	2100	10
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Feb-19	2-Feb-19	
Gujarat	Rajkot	Lokwan	2200	2200	Unch
M.P.	Indore	Lokwan	Closed	2300	-
	Bhopal	Lokwan	Closed	2250	-
	Bina	Sarbati 306	Closed	2800	-
Rajasthan	Kota	Lokwan Bilty	Closed	2150	-
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Feb-19	2-Feb-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	300	300	Unch
	Dhrol	Mill Quality Loose	17	14	3
M.P.	Indore	Mill Quality Loose	Closed	700	-
Rajasthan	Kota	Mill Quality	Closed	800	-
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	60	100	-40
	Kosi	Mill Quality Loose	100	300	-200
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	100	300	-200
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	300	400	-100

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

Wheat Products Delhi	4-Feb-19	2-Feb-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	1320	Unch
Chakki Atta (50kg) Special	1340	1340	Unch
Chakki Atta (90kg) Superfine	2430	2430	Unch
Chakki Atta (50kg) Superfine	1360	1360	Unch

Wheat (CBOT) Future Price:01.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	515.75	526.50	515.25	524.25	7.75
19-May	521.50	530.25	520.50	528.25	6.50
19-Jul	526.50	534.50	525.50	532.00	5.00
19-Sep	535.00	542.25	534.25	539.50	3.75
19-Dec	549.00	555.00	548.00	552.00	2.75
20-Mar	558.50	564.25	557.75	561.25	1.75

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