

**Wheat Domestic Fundamentals:**

**As per latest update, FSSAI has directed packaged-food companies to label 'atta' as whole wheat flour and 'maida' as refined wheat flour.** This will help consumers in making informed choices as using wheat flour for 'maida' does not convey the exact nature of ingredients used in manufacturing of various products. Companies are required to comply with requirements by 30th April'19.

**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 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.

**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: 05.02.2019 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	+14	2005	2020	2005	2020	20	-10	220	0
19-Mar	0	2114	2114	2114	2114	0	0	0	0
19-Apr	0	2087	2087	2087	2087	0	-20	0	0

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-80		
19-Mar		94	
19-Apr			-27

Stocks	Demat	In-Process	Total	EDD
	04.Feb.19	04.Feb.19	04.Feb.19	04.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	354
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 05.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Feb-19	4-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2100	2060	40
	Nazafgarh	Mill Quality Loose	2030	2025	5
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2175	2175	Unch
	Surat	Mill Delivery	2220	2220	Unch
	Dhrol	Mill Quality Loose	2255	2280	-25
M.P.	Indore	Mill Delivery	2000	Closed	-
	Bhopal	Mill Quality Loose	1980	Closed	-
Rajasthan	Kota	Mill Quality Loose	1950	Closed	-
		Mill Delivery	2050	Closed	-
U.P.	Kanpur	Mill Delivery	2010	2010	Unch
	Mathura	Mill Quality Loose	1950	1900	50
	Kosi	Mill Quality Loose	2015	2015	Unch
	Hathras	Mill Quality Loose	2060	2070	-10
	Aligarh	Mill Quality Loose	1950	1950	Unch
Punjab	Khanna	Mill Quality Loose	1950	1960	-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	2025	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	Closed	-
	Madurai	Mill Quality	2457	Closed	-
	Coimbatore	Mill Quality	2457	Closed	-
Bihar	Khagariya	Mill Delivery	2150	2150	Unch
	Muzaffarpur	Mill Delivery	2100	2110	-10
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Feb-19	4-Feb-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	250	300	-50
	Dhrol	Mill Quality Loose	14	17	-3
M.P.	Indore	Mill Quality Loose	800	Closed	-
Rajasthan	Kota	Mill Quality	1700	Closed	-
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	70	60	10
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	100	100	Unch
Punjab	Khanna	Mill Quality Loose	400	300	100
	(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	300	Unch

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

Wheat Products Delhi	5-Feb-19	4-Feb-19	Change
Atta (50kg) Ordinary	1210	1200	10
Maida Grade 1 (50KG)	1190	1190	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	850	860	-10
Chokar (34 kg)	575	580	-5
Chakki Atta (50kg)	1330	1320	10
Chakki Atta (50kg) Special	1350	1340	10
Chakki Atta (90kg) Superfine	2440	2430	10
Chakki Atta (50kg) Superfine	1370	1360	10

Wheat (CBOT) Future Price:04.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	524.75	529.00	521.25	525.75	1.50
19-May	528.25	532.00	524.75	529.75	1.50
19-Jul	532.00	534.50	528.00	533.25	1.25
19-Sep	538.25	541.25	535.25	540.50	1.00
19-Dec	550.00	553.00	547.25	552.25	0.25
20-Mar	558.00	561.00	555.75	561.00	-0.25

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