

Wheat Domestic Fundamentals:

Government has offered 61942440 tonnes of wheat in OMSS since July'18 until fifth tender in January'19 out of which 6252650 tonnes was sold. Total numbers of rakes sold were 121. State government and bulk consumers bought 603400 tonnes and 5328600 tonnes of wheat respectively. 320650 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.

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 KisanJansunwai in Narela and Najafgarh to incorporate suggestions from farmers and other stakeholders.

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, Japan's ministry of agriculture bought 131165 MMT of food quality wheat from United States, Australia and Canada. Around 59492 MMT has been bought from United States with minimum protein content of 14.0 percent, 36728 MMT has been bought from Canada with minimum protein content of 13.5 percent and 34945 MMT from Australia to be loaded between March 21-April 30,2019.

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.

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

Wheat Futures Contact: NCDEX Price							Date:08.02.2019 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	0	2060	2060	2050	2060	30	10	170	-20
19-Mar	-47	2002	2005	1955	1955	30	-50	100	30
19-Apr	0	1907	1907	1907	1907	20	0	20	20

Spread	Feb-19	Mar-19	Apr-19
Spot Narella			
19-Feb	-40		
19-Mar		-105	
19-Apr			-48

Stocks	Demat	In-Process	Total	EDD
	07.Feb.19	07.Feb.19	07.Feb.19	04.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	354
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 08.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Feb-19	7-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2105	2110	-5
	Narella	Mill Quality Loose	2100	2090	10
	Nazafgarh	Mill Quality Loose	2030	2030	Unch
Gujarat	Rajkot	Mill Delivery	2025	2025	Unch
	Ahmedabad	Mill Delivery	2175	2175	Unch
	Surat	Mill Delivery	2220	2220	Unch
	Dhrol	Mill Quality Loose	2215	2215	Unch
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	1950	2000	-50
		Mill Delivery	2100	2050	50
U.P.	Kanpur	Mill Delivery	2030	2010	20
	Mathura	Mill Quality Loose	1975	2000	-25
	Kosi	Mill Quality Loose	2015	2040	-25
	Hathras	Mill Quality Loose	2050	2060	-10
	Aligarh	Mill Quality Loose	1950	1950	Unch
Punjab	Khanna	Mill Quality Loose	1970	1970	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1920	1920	Unch
	Hodal	Mill Delivery	NR	NR	-

	Bhiwani	Mill Quality Loose	2025	2025	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2410	2410	Unch
	Madurai	Mill Quality	2467	2467	Unch
	Coimbatore	Mill Quality	2467	2467	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
			8-Feb-19	7-Feb-19	
Gujarat	Rajkot	Lokwan	2200	2200	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	NA	2800	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Feb-19	7-Feb-19	
Delhi	Lawrence Road	Mill Delivery	5000	6000	-1000
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	200	300	-100
	Dhrol	Mill Quality Loose	21	21	Unch
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	3500	4000	-500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	60	125	-65
	Kosi	Mill Quality Loose	150	280	-130
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	150	150	Unch
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	NR	NR	-
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	8-Feb-19	7-Feb-19	Change
Atta (50kg) Ordinary	1210	1210	Unch
Maida Grade 1 (50KG)	1190	1190	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	850	850	Unch
Chokar (34 kg)	575	575	Unch
Chakki Atta (50kg)	1330	1330	Unch
Chakki Atta (50kg) Special	1350	1350	Unch
Chakki Atta (90kg) Superfine	2440	2440	Unch
Chakki Atta (50kg) Superfine	1370	1370	Unch

Wheat (CBOT) Future Price:07.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	525.25	525.25	512.50	513.25	-12.75
19-May	528.00	528.50	516.25	517.00	-11.75
19-Jul	531.75	531.75	520.75	521.75	-10.50
19-Sep	537.50	538.00	528.50	529.50	-9.25
19-Dec	550.50	550.50	541.50	542.75	-7.75
20-Mar	557.25	557.25	551.00	552.50	-6.50

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