

Wheat Domestic Fundamentals:

As per trade source, India has exported around 4.51 thousand tonnes in the month of January-2019. The quantity in January-2019 was exported at an average FOB of \$ 375.89 per tonne and the major destinations were Nepal, UAE and Somalia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

All India weekly average prices increased by 2.46 percent to Rs. 2168.57 per quintal during the week ended 15th February 2019. Wheat average price were ruling at Rs 2116.44 per quintal during 01-08 February 2019. As compared to prices in the week 09-15 February 2018, the prices are firm by 21.47 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

As per market sources, wheat stock in central pool as on 1st February'19 stood at 239.31 lakh tonnes down by 11.76% compared to last month. This quantity is higher by around 36.38% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st February'19 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open 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 January-19. 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.

India mainly imports from Australia and Russia. Wheat prices have become weak in both the countries. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$356.20 (Rs 25450) per tonne and \$360.99 (Rs 25800) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 24000-24500 per tonne and Rs 24500-25000 per tonne respectively

Wheat WPI has increased from 152.8 in December-2018 to 154.8 in January-2019. Monthly wheat inflation has increased by 1.31 percent in January-2019 compared to previous month. As compared to January-2018 wheat WPI has increased by around 9.94 percent. Wheat WPI is expected to stay steady to weak in coming months.

Authorities in Haryana have advised farmers watch their crop closely for yellow rust. Higher day temperatures and lower night temperatures are conducive for yellow rust. Panchkula, Ambala, Yamunanagar, some parts of Kurukshetra and Karnal are the most-prone areas where yellow rust strikes. As of now, Overall crop condition in the state is good.

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.

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 weak by \$2-5 per tonne at Novorossiysk and \$1-2 per tonne at Odessa compared to last week. Wheat prices were fell down suddenly, having lost their competitiveness. 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 \$239.00-245.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$240.00-245.00/tonne.

Iran, Russia and Kazakhstan have already signed a memorandum for cooperating in wheat trading. Iran has reached self-sufficiency by increasing output and not allowing private millers to export flour using wheat produced domestically. Therefore, private millers may still import wheat from Russia to process and export it to neighboring countries.

As per latest update, Australia has exported 4.47 MMT of wheat during July-December'18 down by around 40 percent compared to previous year during the same period. Of the total quantity, exports in bulk were around 3.90 MMT and the top buyers were Indonesia, Iraq and Korea.

Egypt has purchased 300000 tonnes of United States, Ukraine and France wheat through tender. Glencore offered 120000 tonnes of French wheat at FOB \$224.50/tonne, Cargill offered 120000 tonnes of U.S. soft red wheat at FOB \$234.47/tonne and Louis Dreyfus offered 60000 tonnes of Ukrainian wheat at FOB \$247.90/tonne.

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

| Wheat Futures Contact: NCDEX Price | | | | | | | Date:20.02.2019 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 | 2125 | 2125 | 2125 | 2125 | 20 | -30 | 10 | 0 |
| 19-Mar | 0 | 1945 | 1945 | 1945 | 1945 | 10 | 10 | 130 | 130 |
| 19-Apr | 0 | 1834 | 1834 | 1834 | 1834 | 10 | 10 | 30 | 30 |

| Spread | Feb-19 | Mar-19 | Apr-19 |
|--------------|--------|--------|--------|
| Spot Narella | | | |
| 19-Feb | 85 | | |
| 19-Mar | | -180 | |
| 19-Apr | | | -111 |

| Stocks | Demat | In-Process | Total | EDD |
|--------|-----------|------------|-----------|-----------|
| | 19.Feb.19 | 19.Feb.19 | 19.Feb.19 | 18.Feb.19 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 354 | 0 | 354 | 354 |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 20.02.2019

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 20-Feb-19 | 19-Feb-19 | |
| Delhi | Lawrence Road | Mill Delivery | 2110 | 2105 | 5 |
| | Narella | Mill Quality Loose | Closed | 2040 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 2020 | - |
| Gujarat | Rajkot | Mill Delivery | 2000 | 2015 | -15 |
| | Ahmedabad | Mill Delivery | 2100 | 2125 | -25 |
| | Surat | Mill Delivery | 2150 | 2160 | -10 |
| | Dhrol | Mill Quality Loose | 2260 | 2350 | -90 |
| M.P. | Indore | Mill Delivery | 1950 | 1950 | Unch |
| | Bhopal | Mill Quality Loose | 1970 | 1970 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 2000 | 2000 | Unch |
| | | Mill Delivery | 2100 | 2100 | Unch |
| U.P. | Kanpur | Mill Delivery | 2100 | 2050 | 50 |
| | Mathura | Mill Quality Loose | 2050 | 2050 | Unch |
| | Kosi | Mill Quality Loose | 2020 | 2020 | Unch |
| | Hathras | Mill Quality Loose | 2050 | 2050 | Unch |
| | Aligarh | Mill Quality Loose | Closed | 2000 | - |
| Punjab | Khanna | Mill Quality Loose | 1950 | 1925 | 25 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1920 | 1920 | Unch |
| | Hodal | Mill Delivery | 2070 | 2070 | Unch |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 2020 | 2020 | Unch |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2300 | 2410 | -110 |
| | Madurai | Mill Quality | 2357 | 2467 | -110 |
| | Coimbatore | Mill Quality | 2357 | 2467 | -110 |
| 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 |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 20-Feb-19 | 19-Feb-19 | |
| Gujarat | Rajkot | Lokwan | 2100 | 2150 | -50 |
| M.P. | Indore | Lokwan | 2150 | 2150 | Unch |
| | Bhopal | Lokwan | 2200 | 2200 | Unch |
| | Bina | Sarbati 306 | Closed | 2850 | - |
| Rajasthan | Kota | Lokwan Bilty | 2150 | 2160 | -10 |
| | Baran | Lokwan | NA | NA | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 20-Feb-19 | 19-Feb-19 | |
| Delhi | Lawrence Road | Mill Delivery | 6000 | 6500 | -500 |
| | Narella | Mill Quality Loose | Closed | 200 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 75 | - |
| Gujarat | Rajkot | Mill Quality Loose | 800 | 600 | 200 |
| | Dhrol | Mill Quality Loose | 11 | 8 | 3 |
| M.P. | Indore | Mill Quality Loose | 9000 | 8000 | 1000 |
| Rajasthan | Kota | Mill Quality | 3000 | 3500 | -500 |
| U.P. | Kanpur | Mill Quality Loose | 500 | 400 | 100 |
| | Mathura | Mill Quality Loose | 200 | 200 | Unch |
| | Kosi | Mill Quality Loose | 200 | 200 | Unch |
| | Hathras | Mill Quality Loose | NA | 5 | - |
| | Aligarh | Mill Quality Loose | Closed | 50 | - |
| 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 | 20 | 30 | -10 |
| | Bhiwani | Mill Quality Loose | 400 | 1200 | -800 |

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

| Wheat Products Delhi | 20-Feb-19 | 19-Feb-19 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 1220 | 1220 | 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) | 1340 | 1340 | Unch |
| Chakki Atta (50kg) Special | 1360 | 1360 | Unch |
| Chakki Atta (90kg) Superfine | 2450 | 2450 | Unch |
| Chakki Atta (50kg) Superfine | 1380 | 1380 | Unch |

| Wheat (CBOT) Future Price:19.02.2019 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 19-Mar | 502.50 | 505.25 | 488.50 | 489.75 | -14.50 |
| 19-May | 505.25 | 508.50 | 491.00 | 492.25 | -14.75 |
| 19-Jul | 508.25 | 510.75 | 495.50 | 496.50 | -12.75 |
| 19-Sep | 517.50 | 519.75 | 505.25 | 506.00 | -12.50 |
| 19-Dec | 531.75 | 534.00 | 519.50 | 520.75 | -11.75 |
| 20-Mar | 542.75 | 544.75 | 530.75 | 531.50 | -11.75 |

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