

Wheat Domestic Fundamentals:

As per market sources, Government is likely to procure 35.7 MMT for MY 2019-20. The procurement will start from 15th March'19 in Madhya Pradesh. Procurement in Punjab and Haryana will start from 01st April'19. Last year government surpassed its procurement target of 32 MMT and procured 35.5 MMT.

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.

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:21.02.2019 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-Mar	-4	1945	1950	1941	1941	40	30	100	-30
19-Apr	0	1834	1834	1834	1834	10	0	30	0
19-May	0	1862	1862	1862	1862	0	0	0	0

Spread	Mar-19	Apr-19	May-19
Spot Narella			
19-Mar	-119		
19-Apr		-107	
19-May			28

Stocks	Demat	In-Process	Total	EDD
	20.Feb.19	20.Feb.19	20.Feb.19	18.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	354
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 21.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Feb-19	20-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2105	2110	-5
	Narella	Mill Quality Loose	2060	Closed	-
	Nazafgarh	Mill Quality Loose	2020	Closed	-
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2120	2100	20
	Surat	Mill Delivery	2160	2150	10
	Dhrol	Mill Quality Loose	2245	2260	-15
M.P.	Indore	Mill Delivery	1925	1950	-25
	Bhopal	Mill Quality Loose	1960	1970	-10
Rajasthan	Kota	Mill Quality Loose	1980	2000	-20
		Mill Delivery	2100	2100	Unch
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	2040	2050	-10
	Kosi	Mill Quality Loose	2070	2020	50
	Hathras	Mill Quality Loose	NA	2050	-
	Aligarh	Mill Quality Loose	1970	Closed	-
Punjab	Khanna	Mill Quality Loose	1940	1950	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1920	1920	Unch
	Hodal	Mill Delivery	2070	2070	Unch

	Bhiwani	Mill Quality Loose	2030	2020	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	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
			21-Feb-19	20-Feb-19	
Gujarat	Rajkot	Lokwan	2075	2100	-25
M.P.	Indore	Lokwan	2150	2150	Unch
	Bhopal	Lokwan	2150	2200	-50
	Bina	Sarbati 306	2800	Closed	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Feb-19	20-Feb-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	800	800	Unch
	Dhrol	Mill Quality Loose	14	11	3
M.P.	Indore	Mill Quality Loose	8000	9000	-1000
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	150	200	-50
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	50	Closed	-
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	25	20	5
	Bhiwani	Mill Quality Loose	3000	400	2600

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

Wheat Products Delhi	21-Feb-19	20-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: 20.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	490.00	493.50	475.75	480.75	-9.00
19-May	492.25	496.00	479.75	484.25	-8.00
19-Jul	497.00	499.75	484.50	488.25	-8.25
19-Sep	506.25	508.75	495.00	498.50	-7.50
19-Dec	521.25	523.50	509.75	513.50	-7.25
20-Mar	532.50	533.50	520.75	524.50	-7.00

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