

Wheat Domestic Fundamentals:

Government has offered 68385740 tonnes of wheat in OMSS since July'18 until second tender in February'19 out of which 7003350 tonnes was sold. Total numbers of rakes sold were 142. State government and bulk consumers bought 667300 tonnes and 5959750 tonnes of wheat respectively. 376300 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 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 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.

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:

IGC has forecasted global wheat production to be 735 MMT for 2018-19. According to estimate by IGC for 2017-18, global wheat production was around 764 MMT against 757 MMT for 2016-17. The forecast for global production is lower by 29 MMT compared to forecast for 2017-18. IGC has projected lower production for 2018-19 however; carryover stocks are still at higher side.

Russian milling wheat prices became weak by \$3-6 per tonne at Novorossiysk and \$4-5 per tonne at Odessa compared to last week. Wheat prices were weak due to fall in prices of rival exporting countries. 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 \$236.00-239.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$235.00-241.00/tonne.

As per latest update, NOFI has bought 60000 tonnes of feed wheat. The prices are likely to be around \$253.60 per tonne (Cost and Freight). The origin is optional and the said quantity is likely to arrive by July 10. The seller was trading house Bunge.

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.

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

Wheat Futures Contact: NCDEX Price							Date:22.02.2019 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	+9	1946	1955	1955	1955	10	-30	90	-10
19-Apr	-23	1834	1811	1804	1811	20	+10	50	+20
19-May	0	1862	1862	1862	1862	0	0	0	0

Spread	Mar-19	Apr-19	May-19
Spot Narella			
19-Mar	-105		
19-Apr		-144	
19-May			51

Stocks	Demat	In-Process	Total	EDD
	21.Feb.19	21.Feb.19	21.Feb.19	18.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	354
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 22.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Feb-19	21-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2100	2105	-5
	Narella	Mill Quality Loose	2060	2060	Unch
	Nazafgarh	Mill Quality Loose	2000	2020	-20
Gujarat	Rajkot	Mill Delivery	1990	2000	-10
	Ahmedabad	Mill Delivery	2125	2120	5
	Surat	Mill Delivery	2160	2160	Unch
	Dhrol	Mill Quality Loose	2145	2245	-100
M.P.	Indore	Mill Delivery	1940	1925	15
	Bhopal	Mill Quality Loose	1960	1960	Unch
Rajasthan	Kota	Mill Quality Loose	1980	1980	Unch
		Mill Delivery	2100	2100	Unch
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	2040	2040	Unch
	Kosi	Mill Quality Loose	2030	2070	-40
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1950	1970	-20
Punjab	Khanna	Mill Quality Loose	1950	1940	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1970	1920	50
	Hodal	Mill Delivery	2070	2070	Unch

	Bhiwani	Mill Quality Loose	2015	2030	-15
	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
			22-Feb-19	21-Feb-19	
Gujarat	Rajkot	Lokwan	2100	2075	25
M.P.	Indore	Lokwan	2150	2150	Unch
	Bhopal	Lokwan	2150	2150	Unch
	Bina	Sarbati 306	2800	2800	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Feb-19	21-Feb-19	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	Narella	Mill Quality Loose	300	200	100
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	900	800	100
	Dhrol	Mill Quality Loose	7	14	-7
M.P.	Indore	Mill Quality Loose	8000	8000	Unch
Rajasthan	Kota	Mill Quality	1200	2500	-1300
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	150	50	100
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	100	200
	Hodal	Mill Quality Loose	30	25	5
	Bhiwani	Mill Quality Loose	400	3000	-2600

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

Wheat Products Delhi	22-Feb-19	21-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: 21.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	480.50	491.50	480.25	486.50	5.75
19-May	484.25	495.25	483.75	491.00	6.75
19-Jul	488.50	498.50	488.25	493.50	5.25
19-Sep	499.75	508.25	498.75	503.50	5.00
19-Dec	514.75	524.00	513.75	518.00	4.50
20-Mar	526.75	533.50	526.75	528.75	4.25

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