

Wheat Domestic Fundamentals:

As per latest update, area sown until 22nd February-19 is 299.68 lakh hectares compared to 300.12 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 60.00 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.

All India weekly average prices decreased by 1.11 percent to Rs. 2144.46 per quintal during the week ended 23rd February 2019. Wheat average price were ruling at Rs 2168.57 per quintal during 09-15 February 2019. As compared to prices in the week 16-23 February 2018, the prices are firm by 12.89 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

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 \$348.40 (Rs 24780) per tonne and \$337.81 (Rs 24100) 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 23000 per tonne and Rs 23500 per tonne respectively.

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.

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.

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.

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

Wheat Futures Contact: NCDEX Price							Date:25.02.2019 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	0	1955	1955	1955	1955	10	0	90	0
19-Apr	+52	1808	1862	1852	1860	100	+80	100	+50
19-May	0	1862	1862	1862	1862	0	0	0	0

Spread	Mar-19	Apr-19	May-19
Spot Narella			
19-Mar	-145		
19-Apr		-95	
19-May			2

Stocks	Demat	In-Process	Total	EDD
	23.Feb.19	23.Feb.19	23.Feb.19	18.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	354	0	354	354
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 25.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Feb-19	23-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2105	2105	Unch
	Narella	Mill Quality Loose	2100	2080	20
	Nazafgarh	Mill Quality Loose	NA	2000	-
Gujarat	Rajkot	Mill Delivery	1950	1975	-25
	Ahmedabad	Mill Delivery	2080	2090	-10
	Surat	Mill Delivery	2125	2140	-15
	Dhrol	Mill Quality Loose	2170	2175	-5
M.P.	Indore	Mill Delivery	1950	1940	10
	Bhopal	Mill Quality Loose	1900	1960	-60
Rajasthan	Kota	Mill Quality Loose	1900	1980	-80
		Mill Delivery	2050	2100	-50
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	2000	2040	-40
	Kosi	Mill Quality Loose	2040	2040	Unch
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1970	1950	20
Punjab	Khanna	Mill Quality Loose	1900	1930	-30
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1950	1970	-20
	Hodal	Mill Delivery	2050	2070	-20

	Bhiwani	Mill Quality Loose	2010	2015	-5
	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	2100	2150	-50
	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
			25-Feb-19	23-Feb-19	
Gujarat	Rajkot	Lokwan	2075	2050	25
M.P.	Indore	Lokwan	2100	2150	-50
	Bhopal	Lokwan	2200	2150	50
	Bina	Sarbati 306	NR	2800	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Feb-19	23-Feb-19	
Delhi	Lawrence Road	Mill Delivery	6000	7000	-1000
	Narella	Mill Quality Loose	250	200	50
	Nazafgarh	Mill Quality Loose	NA	70	-
Gujarat	Rajkot	Mill Quality Loose	650	1000	-350
	Dhrol	Mill Quality Loose	2	5	-3
M.P.	Indore	Mill Quality Loose	18000	8000	10000
Rajasthan	Kota	Mill Quality	1000	1000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	200	150	50
	Kosi	Mill Quality Loose	350	250	100
	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	200	200	Unch
	Hodal	Mill Quality Loose	50	40	10
	Bhiwani	Mill Quality Loose	600	800	-200

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

Wheat Products Delhi	25-Feb-19	23-Feb-19	Change
Atta (50kg) Ordinary	1230	1220	10
Maida Grade 1 (50KG)	1190	1190	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	840	850	-10
Chokar (34 kg)	565	575	-10
Chakki Atta (50kg)	1350	1340	10
Chakki Atta (50kg) Special	1370	1360	10
Chakki Atta (90kg) Superfine	2460	2450	10
Chakki Atta (50kg) Superfine	1390	1380	10

Wheat (CBOT) Future Price: 22.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	488.50	493.00	484.50	486.75	0.25
19-May	493.00	497.50	488.75	491.75	0.75
19-Jul	495.75	500.00	491.75	495.00	1.50
19-Sep	505.50	509.25	501.50	504.50	1.00
19-Dec	519.25	523.00	515.75	518.00	Unch
20-Mar	530.00	533.50	526.25	528.50	-0.25

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