

**Wheat Domestic Fundamentals:**

**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.

**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.

**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:26.02.2019 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	0	-90
19-Apr	19	1860	1879	1879	1879	10	-90	100	0
19-May	0	1862	1862	1862	1862	0	0	0	0

Spread	Mar-19	Apr-19	May-19
Spot Narella			
19-Mar	-125		
19-Apr		-76	
19-May			-17

Stocks	Demat	In-Process	Total	EDD
	25.Feb.19	25.Feb.19	25.Feb.19	25.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

**Wheat Daily Prices and Arrivals on 26.02.2019**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Feb-19	25-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2110	2105	5
	Narella	Mill Quality Loose	2080	2100	-20
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Delivery	1950	1950	Unch
	Ahmedabad	Mill Delivery	2100	2080	20
	Surat	Mill Delivery	2140	2125	15
	Dhrol	Mill Quality Loose	2200	2170	30
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1965	1900	65
		Mill Delivery	2040	2050	-10
U.P.	Kanpur	Mill Delivery	2050	2100	-50
	Mathura	Mill Quality Loose	2050	2000	50
	Kosi	Mill Quality Loose	2080	2040	40
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1970	1970	Unch
Punjab	Khanna	Mill Quality Loose	1930	1900	30
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1960	1950	10
	Hodal	Mill Delivery	2070	2050	20

	Bhiwani	Mill Quality Loose	1960	2010	<b>-50</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2400	2300	<b>100</b>
	Madurai	Mill Quality	2457	2357	<b>100</b>
	Coimbatore	Mill Quality	2457	2357	<b>100</b>
<b>Bihar</b>	Khagariya	Mill Delivery	2100	2100	<b>Unch</b>
	Muzaffarpur	Mill Delivery	2100	2100	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Feb-19	25-Feb-19	
<b>Gujarat</b>	Rajkot	Lokwan	2050	2075	<b>-25</b>
<b>M.P.</b>	Indore	Lokwan	2100	2100	<b>Unch</b>
	Bhopal	Lokwan	2100	2200	<b>-100</b>
	Bina	Sarbati 306	2800	NR	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2200	2150	<b>50</b>
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Feb-19	25-Feb-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	5500	6000	<b>-500</b>
	Narella	Mill Quality Loose	100	250	<b>-150</b>
	Nazafgarh	Mill Quality Loose	NA	NA	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1000	650	<b>350</b>
	Dhrol	Mill Quality Loose	9	2	<b>7</b>
<b>M.P.</b>	Indore	Mill Quality Loose	18000	18000	<b>Unch</b>
<b>Rajasthan</b>	Kota	Mill Quality	800	1000	<b>-200</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	500	<b>Unch</b>
	Mathura	Mill Quality Loose	100	200	<b>-100</b>
	Kosi	Mill Quality Loose	300	350	<b>-50</b>
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	150	150	<b>Unch</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	500	300	<b>200</b>
	Jagraon(Ludhiana)	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	<b>Unch</b>
	Hodal	Mill Quality Loose	30	50	<b>-20</b>
	Bhiwani	Mill Quality Loose	600	600	<b>Unch</b>

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

Wheat Products Delhi	26-Feb-19	25-Feb-19	Change
Atta (50kg) Ordinary	1230	1230	Unch
Maida Grade 1 (50KG)	1190	1190	Unch
Suji (50kg)	1270	1270	Unch
Chokar (50 kg)	840	840	Unch
Chokar (34 kg)	565	565	Unch
Chakki Atta (50kg)	1350	1350	Unch
Chakki Atta (50kg) Special	1370	1370	Unch
Chakki Atta (90kg) Superfine	2460	2460	Unch
Chakki Atta (50kg) Superfine	1390	1390	Unch

Wheat (CBOT) Future Price: 25.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	489.75	490.00	466.25	466.75	-20.00
19-May	494.50	495.00	472.25	472.75	-19.00
19-Jul	497.00	498.25	477.00	477.75	-17.25
19-Sep	508.00	508.00	487.00	487.50	-17.00
19-Dec	520.00	521.50	501.00	501.50	-16.50
20-Mar	531.25	531.25	511.75	512.50	-16.00

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