

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:

Dry spell in Australia is likely to continue in coming months. This will lead to lower yields for wheat and ultimately resulting in third consecutive year of low production. Lower production in Australia is likely to keep global prices afloat.

Russian Agriculture Ministry has dismissed any rumors regarding imposing restriction on grain exports. Furthermore, the Russian ministry has also kept its grain export quota unchanged at 42 MMT after taking into account the data of key exporters.

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.

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:27.02.2019 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	90
19-Apr	0	1879	1879	1879	1879	0	-10	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
	26.Feb.19	26.Feb.19	26.Feb.19	25.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 27.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Feb-19	26-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2100	2110	-10
	Narella	Mill Quality Loose	Closed	2080	-
	Nazafgarh	Mill Quality Loose	Closed	NA	-
Gujarat	Rajkot	Mill Delivery	1960	1950	10
	Ahmedabad	Mill Delivery	2100	2100	Unch
	Surat	Mill Delivery	2140	2140	Unch
	Dhrol	Mill Quality Loose	2200	2200	Unch
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1965	1965	Unch
		Mill Delivery	2040	2040	Unch
U.P.	Kanpur	Mill Delivery	2050	2050	Unch
	Mathura	Mill Quality Loose	2050	2050	Unch
	Kosi	Mill Quality Loose	2060	2080	-20
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	Closed	1970	-
Punjab	Khanna	Mill Quality Loose	1930	1930	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1940	1960	-20
	Hodal	Mill Delivery	2050	2070	-20

	Bhiwani	Mill Quality Loose	1900	1960	-60
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	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
			27-Feb-19	26-Feb-19	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2100	100
	Bina	Sarbati 306	Closed	2800	-
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Feb-19	26-Feb-19	
Delhi	Lawrence Road	Mill Delivery	6000	5500	500
	Narella	Mill Quality Loose	Closed	100	-
	Nazafgarh	Mill Quality Loose	Closed	NA	-
Gujarat	Rajkot	Mill Quality Loose	600	1000	-400
	Dhrol	Mill Quality Loose	29	9	20
M.P.	Indore	Mill Quality Loose	17000	18000	-1000
Rajasthan	Kota	Mill Quality	1000	800	200
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	350	100	250
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	Closed	150	-
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	30	20
	Bhiwani	Mill Quality Loose	400	600	-200

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

Wheat Products Delhi	27-Feb-19	26-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: 26.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	467.00	468.00	456.25	460.25	-6.50
19-May	473.00	474.75	463.75	468.25	-4.50
19-Jul	478.50	481.50	470.75	475.25	-2.50
19-Sep	487.75	491.25	481.00	485.50	-2.00
19-Dec	502.25	505.25	495.75	500.50	-1.00
20-Mar	511.50	516.50	507.50	512.00	-0.50

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