

Wheat Domestic Fundamentals:

As per second advance estimate, India is likely to produce 99.12 MMT of wheat compared to 99.70 MMT in previous year. The total food grain production is expected at record 281.37 MMT compared to 277.49 MMT last year. This year overall acreage is lower by around 0.15% compared to last years' acreage of 300.12 lakh hectares.

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.

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

Wheat Futures Contact: NCDEX Price							Date:28.02.2019 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	-15	1921	1940	1921	1940	20	10	80	-10
19-Apr	-26	1853	1879	1853	1853	10	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	-160		
19-Apr		-87	
19-May			9

Stocks	Demat	In-Process	Total	EDD
	27.Feb.19	27.Feb.19	27.Feb.19	25.Feb.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 28.02.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Feb-19	27-Feb-19	
Delhi	Lawrence Road	Mill Delivery	2110	2100	10
	Narella	Mill Quality Loose	2100	Closed	-
	Nazafgarh	Mill Quality Loose	1990	Closed	-
Gujarat	Rajkot	Mill Delivery	1925	1960	-35
	Ahmedabad	Mill Delivery	2070	2100	-30
	Surat	Mill Delivery	2110	2140	-30
	Dhrol	Mill Quality Loose	NA	2200	-
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1940	1965	-25
		Mill Delivery	2025	2040	-15
U.P.	Kanpur	Mill Delivery	2050	2050	Unch
	Mathura	Mill Quality Loose	2000	2050	-50
	Kosi	Mill Quality Loose	2070	2060	10
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1980	Closed	-
Punjab	Khanna	Mill Quality Loose	1930	1930	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1910	1940	-30
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2000	1900	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2400	-100
	Madurai	Mill Quality	2357	2457	-100
	Coimbatore	Mill Quality	2357	2457	-100
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
			28-Feb-19	27-Feb-19	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2750	Closed	-
Rajasthan	Kota	Lokwan Bilty	2150	2200	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-Feb-19	27-Feb-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1300	600	700
	Dhrol	Mill Quality Loose	NA	29	-
M.P.	Indore	Mill Quality Loose	16000	17000	-1000
Rajasthan	Kota	Mill Quality	2000	1000	1000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	160	350	-190
	Kosi	Mill Quality Loose	450	400	50
	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	200	200	Unch
	Hodal	Mill Quality Loose	30	50	-20
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	28-Feb-19	27-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: 27.02.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	460.25	467.75	458.25	461.00	0.75
19-May	468.25	475.50	465.25	466.75	-1.50
19-Jul	474.00	482.00	472.00	473.25	-2.00
19-Sep	487.00	492.00	482.50	483.00	-2.50
19-Dec	502.25	506.50	497.00	497.75	-2.75
20-Mar	513.25	517.00	509.00	509.00	-3.00

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