

Wheat Domestic Fundamentals:

Wheat prices are moving towards MSP as arrival pressure is increasing. Demand from millers is low due to high moisture content. Dry weather has impacted sowing in Gujarat and Maharashtra. However traders expect this decline would be offset by favourable weather conditions in major producing states such as Uttar Pradesh, Madhya Pradesh, Rajasthan, Punjab and Haryana. Traders are expecting wheat crop to be around 95 MMT compared to ministry of agriculture's forecast of 99.12 MMT.

All India weekly average prices decreased by 5.99 percent to Rs. 2016.08 per quintal during the week ended 28th February 2019. Wheat average price were ruling at Rs 2144.46 per quintal during 16-23 February 2019. As compared to prices in the week 24-28 February 2018, the prices are firm by 14.07 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

Western disturbance accompanied with other climate factors has led to an extended winter. More rains have been experienced in Rajasthan, Punjab, Haryana, Madhya Pradesh and Western Uttar Pradesh. Reports of flattening or damage to Rabi crops have been received but the actual impact is still being assessed. However these showers are not expected to cause any extensive damage. Weather, in general, has been favorable for wheat crop and a good harvest can be expected in MY 2019-20.

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 \$345.80 (Rs 24485) per tonne and \$333.22 (Rs 23600) 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.

Wheat market is likely to remain weak in upcoming days due to ample availability in domestic market and expectation of good production in MY 2019-20. Despite abundant availability India was not able to export much as other countries are able to provide wheat at lower prices. Imports remained at lower side in MY 2018-2019.

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.

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:

Saudi Arabia's main state wheat buying agency the Saudi Grains Organization (SAGO) has purchased 625000 tonnes of hard wheat. The wheat can be sourced from European Union, North America, South America excluding Canada and Australia. The quantity will be shipped in 10 consignments to three ports. Of the total quantity 320000 tonnes will be delivered at Jeddah port, 250000 tonnes will be delivered at Dammam port and 55000 tonnes at Jazan port.

Egypt's central bank has exempted lentils, rice and wheat from a rule that made it mandatory to deposit the import fees upfront in cash. This exemption will last until 15th March'2020. This would allow letter of credit to be opened without depositing foreign currency. This rule was put in place by central bank of Egypt in 2015 during severe dollar shortage.

Egypt, the largest importer of wheat, has rejected Romanian wheat over "Quality Issue". Trader sources are saying the issue was regarding falling number.

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

Wheat Futures Contact: NCDEX Price							Date:07.03.2019 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	-18	1900	1900	1900	1900	20	-10	50	-10
19-Apr	-12	1862	1862	1850	1850	60	40	190	50
19-May	0	1862	1862	1862	1862	0	0	0	0

Spread	Mar-19	Apr-19	May-19
Spot Narella			
19-Mar	-140		
19-Apr		-50	
19-May			12

Stocks	Demat	In-Process	Total	EDD
	6.Mar.19	6.Mar.19	6.Mar.19	4.Mar.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 07.03.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Mar-19	6-Mar-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2040	Closed	-
	Nazafgarh	Mill Quality Loose	1950	Closed	-
Gujarat	Rajkot	Mill Delivery	1850	1850	Unch
	Ahmedabad	Mill Delivery	1950	2000	-50
	Surat	Mill Delivery	2000	2050	-50
	Dhrol	Mill Quality Loose	1975	1905	70
M.P.	Indore	Mill Delivery	1900	Closed	-
	Bhopal	Mill Quality Loose	1950	Closed	-
Rajasthan	Kota	Mill Quality Loose	1925	Closed	-
		Mill Delivery	2040	Closed	-
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	1920	1940	-20
	Kosi	Mill Quality Loose	2040	2040	Unch
	Hathras	Mill Quality Loose	2050	2100	-50
	Aligarh	Mill Quality Loose	1960	Closed	-
Punjab	Khanna	Mill Quality Loose	1950	1930	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1910	1915	-5
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	2000	2000	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	Closed	-
	Madurai	Mill Quality	2357	Closed	-
	Coimbatore	Mill Quality	2357	Closed	-
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2125	2125	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Mar-19	6-Mar-19	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2100	Closed	-
	Bhopal	Lokwan	2000	Closed	-
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2150	Closed	-
	Baran	Lokwan	NA	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Mar-19	6-Mar-19	
Delhi	Lawrence Road	Mill Delivery	6500	7000	-500
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	2000	2500	-500
	Dhrol	Mill Quality Loose	17	21	-4
M.P.	Indore	Mill Quality Loose	16000	Closed	-
Rajasthan	Kota	Mill Quality	2000	Closed	-
U.P.	Kanpur	Mill Quality Loose	600	600	Unch
	Mathura	Mill Quality Loose	700	450	250
	Kosi	Mill Quality Loose	400	350	50
	Hathras	Mill Quality Loose	55	50	5
	Aligarh	Mill Quality Loose	200	Closed	-
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	7-Mar-19	6-Mar-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: 06.03.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	449.25	450.50	440.50	440.50	-13.75
19-May	464.25	464.25	449.25	450.00	-12.75
19-Jul	469.50	469.75	454.75	455.50	-12.50
19-Sep	477.50	478.25	464.00	464.50	-12.00
19-Dec	492.25	492.25	479.25	479.75	-11.25
20-Mar	503.50	503.50	492.50	493.00	-10.00

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