

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 0.66 percent to Rs. 2002.87 per quintal during the week ended 08th March 2019. Wheat average price were ruling at Rs 2016.08 per quintal during 24-28 February 2019. As compared to prices in the week 01-08 March 2018, the prices are firm by 9.42 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

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.

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:

Russian milling wheat prices became weak by \$8-9 per tonne at Novorossiysk and \$9-10 per tonne at Odessa compared to last week. Wheat prices fell due to weak export demand. As per IGC, Russia is expected to produce 71.60 MMT in 2018-19 compared to 85.10 MMT in 2017-18. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$224.00-228.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$223.00-228.00/tonne.

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:08.03.2019 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 | -56 | 1844 | 1844 | 1844 | 1844 | 20 | 0 | 50 | 0 |
| 19-Apr | 0 | 1856 | 1856 | 1856 | 1856 | 10 | -50 | 190 | 0 |
| 19-May | 0 | 1862 | 1862 | 1862 | 1862 | 0 | 0 | 0 | 0 |

| Spread | Mar-19 | Apr-19 | May-19 |
|--------------|--------|--------|--------|
| Spot Narella | | | |
| 19-Mar | -196 | | |
| 19-Apr | | 12 | |
| 19-May | | | 6 |

| Stocks | Demat | In-Process | Total | EDD |
|--------|----------|------------|----------|----------|
| | 8.Mar.19 | 8.Mar.19 | 8.Mar.19 | 4.Mar.19 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | NA | NA | NA | NA |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 09.03.2019

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
| | | | 9-Mar-19 | 8-Mar-19 | |
| Delhi | Lawrence Road | Mill Delivery | 2100 | 2100 | Unch |
| | Narella | Mill Quality Loose | 2040 | 2020 | 20 |
| | Nazafgarh | Mill Quality Loose | 1950 | 1950 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1850 | 1845 | 5 |
| | Ahmedabad | Mill Delivery | 2000 | 1950 | 50 |
| | Surat | Mill Delivery | 2050 | 2000 | 50 |
| | Dhrol | Mill Quality Loose | 2025 | 2000 | 25 |
| M.P. | Indore | Mill Delivery | 1900 | 1900 | Unch |
| | Bhopal | Mill Quality Loose | 1925 | 1925 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1900 | 1925 | -25 |
| | | Mill Delivery | 2030 | 2040 | -10 |
| U.P. | Kanpur | Mill Delivery | 2100 | 2100 | Unch |
| | Mathura | Mill Quality Loose | 1905 | 1915 | -10 |
| | Kosi | Mill Quality Loose | 2020 | 2000 | 20 |
| | Hathras | Mill Quality Loose | 2050 | 2050 | Unch |
| | Aligarh | Mill Quality Loose | 1950 | 1970 | -20 |
| Punjab | Khanna | Mill Quality Loose | 1920 | 1970 | -50 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1900 | 1900 | Unch |
| | 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 | 2275 | 2300 | -25 |
| | Madurai | Mill Quality | 2332 | 2357 | -25 |
| | Coimbatore | Mill Quality | 2332 | 2357 | -25 |
| 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 |
|-----------|--------|--------------|-----------------|----------|--------|
| | | | 9-Mar-19 | 8-Mar-19 | |
| Gujarat | Rajkot | Lokwan | 2050 | 2000 | 50 |
| M.P. | Indore | Lokwan | 2150 | 2150 | Unch |
| | Bhopal | Lokwan | 2100 | 2100 | Unch |
| | Bina | Sarbati 306 | 2300 | 2300 | Unch |
| Rajasthan | Kota | Lokwan Bilty | 2150 | 2150 | Unch |
| | Baran | Lokwan | 1890 | 1890 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 9-Mar-19 | 8-Mar-19 | |
| Delhi | Lawrence Road | Mill Delivery | 6000 | 7000 | -1000 |
| | Narella | Mill Quality Loose | 300 | 500 | -200 |
| | Nazafgarh | Mill Quality Loose | 100 | 50 | 50 |
| Gujarat | Rajkot | Mill Quality Loose | 1800 | 2200 | -400 |
| | Dhrol | Mill Quality Loose | 11 | 32 | -21 |
| M.P. | Indore | Mill Quality Loose | 10000 | 8000 | 2000 |
| Rajasthan | Kota | Mill Quality | 1500 | 2000 | -500 |
| U.P. | Kanpur | Mill Quality Loose | 600 | 600 | Unch |
| | Mathura | Mill Quality Loose | 600 | 600 | Unch |
| | Kosi | Mill Quality Loose | 200 | 350 | -150 |
| | Hathras | Mill Quality Loose | 30 | 30 | Unch |
| | Aligarh | Mill Quality Loose | 200 | 200 | Unch |
| Punjab | Khanna | Mill Quality Loose | 500 | 500 | Unch |
| | (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 | 400 | 700 | -300 |

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

| Wheat Products Delhi | 9-Mar-19 | 8-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: 08.03.2019 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 19-Mar | 435.50 | 437.00 | 432.75 | 432.75 | 1.25 |
| 19-May | 438.00 | 444.25 | 434.25 | 439.50 | 1.25 |
| 19-Jul | 444.75 | 451.50 | 441.75 | 447.50 | 2.50 |
| 19-Sep | 454.75 | 460.50 | 451.25 | 457.00 | 2.25 |
| 19-Dec | 470.25 | 475.50 | 466.75 | 472.00 | 1.75 |
| 20-Mar | 484.25 | 487.75 | 479.25 | 485.00 | 1.00 |

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.