

Wheat Domestic Fundamentals:

As per a recent multi institute study led by IIT-Madras, surface ozone (generated by chemical reactions between primary pollutants such as oxides of nitrogen and volatile organic compounds in the presence of sunlight) destroys around 22 MMT of wheat yield in India. The economic loss in India is expected to be around USD 5 billion for wheat. The main sources of such plant damaging pollutants are Industries, vehicles, power plants and biomass burning.

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 \$335.40 (Rs 23524.96) per tonne and \$341.54 (Rs 23955) 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.

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.

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.

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

Wheat Futures Contact: NCDEX Price							Date:11.03.2019 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	0	1844	1844	1844	1844	20	0	30	-20
19-Apr	0	1856	1856	1856	1856	10	0	190	0
19-May	0	1862	1862	1862	1862	0	0	0	0

Spread	Mar-19	Apr-19	May-19
Spot Narella			
19-Mar	-176		
19-Apr		12	
19-May			6

Stocks	Demat	In-Process	Total	EDD
	9.Mar.19	9.Mar.19	9.Mar.19	4.Mar.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 11.03.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Mar-19	9-Mar-19	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2020	2040	-20
	Nazafgarh	Mill Quality Loose	2000	1950	50
Gujarat	Rajkot	Mill Delivery	1825	1850	-25
	Ahmedabad	Mill Delivery	1950	2000	-50
	Surat	Mill Delivery	2000	2050	-50
	Dhrol	Mill Quality Loose	2050	2025	25
M.P.	Indore	Mill Delivery	Closed	1900	-
	Bhopal	Mill Quality Loose	Closed	1925	-
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2020	2030	-10
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	1950	1905	45
	Kosi	Mill Quality Loose	2030	2020	10
	Hathras	Mill Quality Loose	2100	2050	50
	Aligarh	Mill Quality Loose	1900	1950	-50
Punjab	Khanna	Mill Quality Loose	NA	1920	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1890	1900	-10
	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	2275	25
	Madurai	Mill Quality	2357	2332	25
	Coimbatore	Mill Quality	2357	2332	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
			11-Mar-19	9-Mar-19	
Gujarat	Rajkot	Lokwan	2000	2050	-50
M.P.	Indore	Lokwan	Closed	2150	-
	Bhopal	Lokwan	Closed	2100	-
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2150	-50
	Baran	Lokwan	1897	1890	7

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Mar-19	9-Mar-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	3000	1800	1200
	Dhrol	Mill Quality Loose	23	11	12
M.P.	Indore	Mill Quality Loose	Closed	10000	-
Rajasthan	Kota	Mill Quality	2000	1500	500
U.P.	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	500	600	-100
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	60	30	30
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	NA	500	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	300	400	-100

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

Wheat Products Delhi	11-Mar-19	9-Mar-19	Change
Atta (50kg) Ordinary	1240	1230	10
Maida Grade 1 (50KG)	1185	1190	-5
Suji (50kg)	1265	1270	-5
Chokar (50 kg)	830	840	-10
Chokar (34 kg)	560	565	-5
Chakki Atta (50kg)	1360	1350	10
Chakki Atta (50kg) Special	1380	1370	10
Chakki Atta (50kg) Superfine	1400	1390	10

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

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