

Wheat Domestic Fundamentals:

Wheat WPI has increased from 154.8 in January-2019 to 157.2 in February-2019. Monthly wheat inflation has increased by 1.55 percent in February-2019 compared to previous month. As compared to February-2018 wheat WPI has increased by around 12.29 percent. Wheat WPI is expected to stay steady to weak in coming months.

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.

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.

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.

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:

Black sea wheat exports to Asia have increased. The crop that is being exported was harvested in last July. The exports from black sea have reduced demand for U.S. wheat. Since the beginning of this year, CBOT has fallen more than 10 percent. Asian buyers are also turning towards black sea wheat after two consecutive droughts in Australia. In a recent deal, Indonesia has bought 200000 tonnes of wheat at C&F \$215 per tonne.

Iraq has bought 100000 tonnes of wheat through a tender of U.S. and Canadian origin. Hakkan Agro sold 50000 tonnes of U.S. wheat at \$294.14 per tonne and Glencore sold 50000 tonnes of Canadian wheat at \$303.75 per tonne.

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.

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

Wheat Futures Contact: NCDEX Price							Date:14.03.2019 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	10	-20	30	0
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	-156		
19-Apr		12	
19-May			6

Stocks	Demat	In-Process	Total	EDD
	13.Mar.19	13.Mar.19	13.Mar.19	11.Mar.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 14.03.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Mar-19	13-Mar-19	
Delhi	Lawrence Road	Mill Delivery	2090	2100	-10
	Narella	Mill Quality Loose	2000	Closed	-
	Nazafgarh	Mill Quality Loose	2020	Closed	-
Gujarat	Rajkot	Mill Delivery	1850	1850	Unch
	Ahmedabad	Mill Delivery	2050	2000	50
	Surat	Mill Delivery	2100	2050	50
	Dhrol	Mill Quality Loose	2125	2125	Unch
M.P.	Indore	Mill Delivery	1890	Closed	-
	Bhopal	Mill Quality Loose	1950	Closed	-
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2000	2020	-20
U.P.	Kanpur	Mill Delivery	2110	2110	Unch
	Mathura	Mill Quality Loose	1970	2000	-30
	Kosi	Mill Quality Loose	1990	1950	40
	Hathras	Mill Quality Loose	2050	2100	-50
	Aligarh	Mill Quality Loose	1910	Closed	-
Punjab	Khanna	Mill Quality Loose	1860	1870	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1890	10
	Hodal	Mill Delivery	2070	2070	Unch

	Bhiwani	Mill Quality Loose	1990	2000	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2250	2250	Unch
	Madurai	Mill Quality	2307	2307	Unch
	Coimbatore	Mill Quality	2307	2307	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
			14-Mar-19	13-Mar-19	
Gujarat	Rajkot	Lokwan	2100	2050	50
M.P.	Indore	Lokwan	2100	Closed	-
	Bhopal	Lokwan	2100	Closed	-
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	Lokwan Bilty	2050	2100	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Mar-19	13-Mar-19	
Delhi	Lawrence Road	Mill Delivery	6000	7000	-1000
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	30	Closed	-
Gujarat	Rajkot	Mill Quality Loose	4000	4000	Unch
	Dhrol	Mill Quality Loose	10	25	-15
M.P.	Indore	Mill Quality Loose	5000	Closed	-
Rajasthan	Kota	Mill Quality	2000	2500	-500
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	150	600	-450
	Kosi	Mill Quality Loose	350	300	50
	Hathras	Mill Quality Loose	40	769	-729
	Aligarh	Mill Quality Loose	200	Closed	-
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(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	200	800	-600

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

Wheat Products Delhi	14-Mar-19	13-Mar-19	Change
Atta (50kg) Ordinary	1240	1240	Unch
Maida Grade 1 (50KG)	1185	1185	Unch
Suji (50kg)	1265	1265	Unch
Chokar (50 kg)	830	830	Unch
Chokar (34 kg)	560	560	Unch
Chakki Atta (50kg)	1360	1360	Unch
Chakki Atta (50kg) Special	1380	1380	Unch
Chakki Atta (90kg) Superfine	2490	2490	Unch
Chakki Atta (50kg) Superfine	1400	1400	Unch

Wheat (CBOT) Future Price:13.03.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	439.75	441.50	439.75	440.25	-6.00
19-May	454.00	456.00	440.25	447.25	-5.75
19-Jul	462.25	463.75	448.50	455.25	-5.50
19-Sep	469.00	471.50	457.50	464.25	-4.75
19-Dec	486.25	487.00	472.50	479.00	-4.50
20-Mar	497.25	497.50	485.00	491.75	-3.75

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