

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:

Russian milling wheat prices became weak by \$3-4 per tonne at Novorossiysk and \$5-6 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 \$220.00-225.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$218.00-222.00/tonne.

Algeria state grains agency OAIC has bought around 450000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid were in the range of \$231.50 - \$234.00 per tonne (Cost and Freight). Most of the quantity is expected to be sourced from France. Algeria does not disclose the results of its tenders and purchase reports are based on trade assessments. In its last tender on 14th February OAIC bought 600000 tonnes of wheat.

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.

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

Wheat Futures Contact: NCDEX Price							Date:15.03.2019 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	0	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	-176		
19-Apr		12	
19-May			6

Stocks	Demat	In-Process	Total	EDD
	14.Mar.19	14.Mar.19	14.Mar.19	11.Mar.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 15.03.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Mar-19	14-Mar-19	
Delhi	Lawrence Road	Mill Delivery	2095	2090	5
	Narella	Mill Quality Loose	2020	2000	20
	Nazafgarh	Mill Quality Loose	2000	2020	-20
Gujarat	Rajkot	Mill Delivery	1840	1850	-10
	Ahmedabad	Mill Delivery	2025	2050	-25
	Surat	Mill Delivery	2075	2100	-25
	Dhrol	Mill Quality Loose	2050	2125	-75
M.P.	Indore	Mill Delivery	1890	1890	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2000	2000	Unch
U.P.	Kanpur	Mill Delivery	2100	2110	-10
	Mathura	Mill Quality Loose	1970	1970	Unch
	Kosi	Mill Quality Loose	2010	1990	20
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1970	1910	60
Punjab	Khanna	Mill Quality Loose	1860	1860	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1900	Unch
	Hodal	Mill Delivery	2070	2070	Unch

	Bhiwani	Mill Quality Loose	2000	1990	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
			15-Mar-19	14-Mar-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Mar-19	14-Mar-19	
Delhi	Lawrence Road	Mill Delivery	6500	6000	500
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	40	30	10
Gujarat	Rajkot	Mill Quality Loose	4500	4000	500
	Dhrol	Mill Quality Loose	10	10	Unch
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	380	350	30
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	100	200	-100
Punjab	Khanna	Mill Quality Loose	400	300	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	200	200

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

Wheat Products Delhi	15-Mar-19	14-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:14.03.2019					
Contract Month	Open	High	Low	Close	Change
19-Mar	448.25	448.25	439.75	448.25	8.00
19-May	447.25	460.75	447.00	452.75	5.50
19-Jul	455.00	467.50	454.25	459.75	4.50
19-Sep	464.50	475.75	463.25	468.50	4.25
19-Dec	479.25	490.50	478.25	483.00	4.00
20-Mar	492.00	502.75	491.25	495.50	3.75

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