

**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 16.03.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Mar-19	15-Mar-19	
Delhi	Lawrence Road	Mill Delivery	2090	2095	-5
	Narella	Mill Quality Loose	2020	2020	Unch
	Nazafgarh	Mill Quality Loose	2000	2000	Unch
Gujarat	Rajkot	Mill Delivery	1825	1840	-15
	Ahmedabad	Mill Delivery	1920	2025	-105
	Surat	Mill Delivery	1970	2075	-105
	Dhrol	Mill Quality Loose	2140	2050	90
M.P.	Indore	Mill Delivery	1900	1890	10
	Bhopal	Mill Quality Loose	1925	1950	-25
Rajasthan	Kota	Mill Quality Loose	1925	1900	25
		Mill Delivery	2010	2000	10
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	1950	1970	-20
	Kosi	Mill Quality Loose	1960	2010	-50
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1930	1970	-40
Punjab	Khanna	Mill Quality Loose	1825	1860	-35
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1900	Unch

	Hodal	Mill Delivery	2060	2070	<b>-10</b>
	Bhiwani	Mill Quality Loose	2000	2000	<b>Unch</b>
	Karnal	Mill Delivery	NA	NA	<b>-</b>
	Panipat	Mill Quality Loose	NA	NA	<b>-</b>
<b>Tamil Nadu</b>	Chennai	Mill Quality	2250	2250	<b>Unch</b>
	Madurai	Mill Quality	2307	2307	<b>Unch</b>
	Coimbatore	Mill Quality	2307	2307	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	2100	2100	<b>Unch</b>
	Muzaffarpur	Mill Delivery	2100	2100	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	<b>-</b>
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	<b>-</b>

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Mar-19	15-Mar-19	
<b>Gujarat</b>	Rajkot	Lokwan	2050	2100	<b>-50</b>
<b>M.P.</b>	Indore	Lokwan	2125	2100	<b>25</b>
	Bhopal	Lokwan	2100	2100	<b>Unch</b>
	Bina	Sarbati 306	2200	2200	<b>Unch</b>
<b>Rajasthan</b>	Kota	Lokwan Bilty	2050	2050	<b>Unch</b>
	Baran	Lokwan	NA	NA	<b>-</b>

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Mar-19	15-Mar-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	6000	6500	<b>-500</b>
	Narella	Mill Quality Loose	300	300	<b>Unch</b>
	Nazafgarh	Mill Quality Loose	40	40	<b>Unch</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	7000	4500	<b>2500</b>
	Dhrol	Mill Quality Loose	20	10	<b>10</b>
<b>M.P.</b>	Indore	Mill Quality Loose	18000	5000	<b>13000</b>
<b>Rajasthan</b>	Kota	Mill Quality	3000	2000	<b>1000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	500	<b>Unch</b>
	Mathura	Mill Quality Loose	300	100	<b>200</b>
	Kosi	Mill Quality Loose	400	380	<b>20</b>
	Hathras	Mill Quality Loose	NA	NA	<b>-</b>
	Aligarh	Mill Quality Loose	100	100	<b>Unch</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	300	400	<b>-100</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	<b>-</b>

<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	Unch
	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	16-Mar-19	15-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:15.03.2019					
Contract Month	Open	High	Low	Close	Change
<b>19-Mar</b>	452.50	463.00	448.50	462.25	9.50
<b>19-May</b>	459.25	469.00	455.75	468.25	8.50
<b>19-Jul</b>	468.25	477.25	464.50	476.75	8.25
<b>19-Sep</b>	482.75	491.75	479.00	491.00	8.00
<b>19-Dec</b>	495.75	504.25	491.75	504.00	8.50
<b>20-Mar</b>	501.75	510.75	500.75	510.25	8.25

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