

Wheat Domestic Fundamentals:

All India weekly average prices increased by 3.30 percent to Rs. 2069.03 per quintal during the week ended 15th March 2019. Wheat average price were ruling at Rs 2002.87 per quintal during 01-08 March 2019. As compared to prices in the week 09-15 March 2018, the prices are firm by 14.86 percent. Prices are expected to remain weak in coming days due to abundant availability in domestic market.

India is planning to boost its export of Rice and wheat through G2G trade and by participating in tenders floated by countries to procure food. Iraq has expressed interest in procuring wheat and rice from India. Iraq has an annual requirement of 4 MMT of wheat, of which around 1 MMT is imported. This will also help India in reducing overflowing stock of wheat and rice in domestic market.

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 \$331.50 (Rs 22750.85) per tonne and \$337.85 (Rs 23185) 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 22500 per tonne and Rs 23000 per tonne respectively.

As per market sources, wheat stock in central pool as on 1st March'19 stood at 201.09 lakh tonnes down by 15.97% compared to last month. This quantity is higher by around 32.69% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st March'19 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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.

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 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:18.03.2019 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-Apr	43	1894	1899	1894	1899	20	10	180	-10
19-May	0	1862	1862	1862	1862	0	0	0	0
19-Jun	0	1919	1919	1919	1919	0	0	0	0

Spread	Apr-19	May-19	June-19
Spot Narella			
19-Apr	-131		
19-May		-37	
19-Jun			57

Stocks	Demat	In-Process	Total	EDD
	16.Mar.19	16.Mar.19	16.Mar.19	11.Mar.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 18.03.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Mar-19	16-Mar-19	
Delhi	Lawrence Road	Mill Delivery	2090	2090	Unch
	Narella	Mill Quality Loose	2030	2020	10
	Nazafgarh	Mill Quality Loose	NA	2000	-
Gujarat	Rajkot	Mill Delivery	1800	1825	-25
	Ahmedabad	Mill Delivery	1930	1920	10
	Surat	Mill Delivery	1970	1970	Unch
	Dhrol	Mill Quality Loose	2185	2140	45
M.P.	Indore	Mill Delivery	1850	1900	-50
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1925	-75
		Mill Delivery	1950	2010	-60
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	1950	1950	Unch
	Kosi	Mill Quality Loose	1996	1960	36
	Hathras	Mill Quality Loose	2150	NA	-
	Aligarh	Mill Quality Loose	1960	1930	30
Punjab	Khanna	Mill Quality Loose	1875	1825	50
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1890	1900	-10
	Hodal	Mill Delivery	2040	2060	-20

	Bhiwani	Mill Quality Loose	2000	2000	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2200	2250	-50
	Madurai	Mill Quality	2257	2307	-50
	Coimbatore	Mill Quality	2257	2307	-50
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
			18-Mar-19	16-Mar-19	
Gujarat	Rajkot	Lokwan	2000	2050	-50
M.P.	Indore	Lokwan	2050	2125	-75
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2150	2200	-50
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1900	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Mar-19	16-Mar-19	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	NA	40	-
Gujarat	Rajkot	Mill Quality Loose	8000	7000	1000
	Dhrol	Mill Quality Loose	32	20	12
M.P.	Indore	Mill Quality Loose	20000	18000	2000
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	125	300	-175
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	209	NA	-
	Aligarh	Mill Quality Loose	200	100	100
Punjab	Khanna	Mill Quality Loose	500	300	200
	(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	200	300	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	18-Mar-19	16-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
19-May	452.50	463.00	448.50	462.25	9.50
19-Jul	459.25	469.00	455.75	468.25	8.50
19-Sep	468.25	477.25	464.50	476.75	8.25
19-Dec	482.75	491.75	479.00	491.00	8.00
20-Mar	495.75	504.25	491.75	504.00	8.50
20-May	501.75	510.75	500.75	510.25	8.25

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.