

Wheat Domestic Fundamentals:

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 February-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.

As per trade source, India has exported around 6.35 thousand tonnes in the month of February-2019. The quantity in February-2019 was exported at an average FOB of \$ 403.91 per tonne and the major destinations were Nepal, UAE and Kuwait. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

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.

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:22.03.2019 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 | 0 | 1854 | 1885 | 1850 | 1854 | 10 | -100 | 270 | 0 |
| 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 | -146 | | |
| 19-May | | 8 | |
| 19-Jun | | | 57 |

| Stocks | Demat | In-Process | Total | EDD |
|--------|-----------|------------|-----------|-----------|
| | 20.Mar.19 | 20.Mar.19 | 20.Mar.19 | 18.Mar.19 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | NA | NA | NA | NA |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 22.03.2019

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 22-Mar-19 | 20-Mar-19 | |
| Delhi | Lawrence Road | Mill Delivery | 2090 | 2090 | Unch |
| | Narella | Mill Quality Loose | 2000 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 1990 | Closed | - |
| Gujarat | Rajkot | Mill Delivery | 1725 | 1750 | -25 |
| | Ahmedabad | Mill Delivery | 1890 | 1900 | -10 |
| | Surat | Mill Delivery | 1930 | 1950 | -20 |
| | Dhrol | Mill Quality Loose | 2150 | NR | - |
| M.P. | Indore | Mill Delivery | 1830 | Closed | - |
| | Bhopal | Mill Quality Loose | Closed | Closed | - |
| Rajasthan | Kota | Mill Quality Loose | 1830 | 1850 | -20 |
| | | Mill Delivery | 1930 | 1950 | -20 |
| U.P. | Kanpur | Mill Delivery | Closed | Closed | - |
| | Mathura | Mill Quality Loose | Closed | Closed | - |
| | Kosi | Mill Quality Loose | Closed | Closed | - |
| | Hathras | Mill Quality Loose | Closed | Closed | - |
| | Aligarh | Mill Quality Loose | Closed | Closed | - |
| Punjab | Khanna | Mill Quality Loose | 1860 | 1875 | -15 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1900 | 1900 | Unch |
| | Hodal | Mill Delivery | 2040 | 2040 | Unch |

| | | | | | |
|-------------------|-------------------------------|--------------------|------|--------|------|
| | Bhiwani | Mill Quality Loose | 2000 | Closed | - |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2200 | 2200 | Unch |
| | Madurai | Mill Quality | 2257 | 2257 | Unch |
| | Coimbatore | Mill Quality | 2257 | 2257 | Unch |
| Bihar | Khagariya | Mill Delivery | 2100 | 2100 | Unch |
| | Muzaffarpur | Mill Delivery | 2100 | 2150 | -50 |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|--------------|-----------------|-----------|--------|
| | | | 22-Mar-19 | 20-Mar-19 | |
| Gujarat | Rajkot | Lokwan | 2000 | 2000 | Unch |
| M.P. | Indore | Lokwan | 2200 | Closed | - |
| | Bhopal | Lokwan | Closed | Closed | - |
| | Bina | Sarbati 306 | Closed | Closed | - |
| Rajasthan | Kota | Lokwan Bilty | 2000 | 2050 | -50 |
| | Baran | Lokwan | Closed | 1900 | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 22-Mar-19 | 20-Mar-19 | |
| Delhi | Lawrence Road | Mill Delivery | 2000 | 8000 | -6000 |
| | Narella | Mill Quality Loose | 200 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 50 | Closed | - |
| Gujarat | Rajkot | Mill Quality Loose | 8000 | 4000 | 4000 |
| | Dhrol | Mill Quality Loose | 18 | NR | - |
| M.P. | Indore | Mill Quality Loose | 2000 | Closed | - |
| Rajasthan | Kota | Mill Quality | 3000 | 3500 | -500 |
| U.P. | Kanpur | Mill Quality Loose | Closed | Closed | - |
| | Mathura | Mill Quality Loose | Closed | Closed | - |
| | Kosi | Mill Quality Loose | Closed | Closed | - |
| | Hathras | Mill Quality Loose | Closed | Closed | - |
| | Aligarh | Mill Quality Loose | Closed | Closed | - |
| Punjab | Khanna | Mill Quality Loose | 400 | 500 | -100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 300 | 200 | 100 |
| | Hodal | Mill Quality Loose | NA | 50 | - |
| | Bhiwani | Mill Quality Loose | 300 | Closed | - |

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

| Wheat Products Delhi | 22-Mar-19 | 20-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:21.03.2019 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 19-May | 464.50 | 467.50 | 458.00 | 466.50 | 1.75 |
| 19-Jul | 468.75 | 472.00 | 463.50 | 471.50 | 1.50 |
| 19-Sep | 477.00 | 480.25 | 472.50 | 480.00 | 1.75 |
| 19-Dec | 491.75 | 494.75 | 487.25 | 494.75 | 1.50 |
| 20-Mar | 506.00 | 508.00 | 501.00 | 507.75 | 1.00 |
| 20-May | 510.25 | 514.50 | 507.75 | 514.25 | 1.00 |

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