

Wheat Domestic Fundamentals:

The government is planning to initiate open market sale during the procurement season. Generally open market sales starts after procurement ends. However, in this season, stock position for wheat is at higher side. Therefore to make way for new crop, government wants to liquidate wheat stocks in open market. In the previous season government sold 7 MMT of wheat in open market against a target of 10 MMT. Sale target for current season is likely to be same. As per FCI, wheat stock in central pool as on 1st March'19 stood at 201.09 lakh tonnes down by 15.97% compared to last month and government is planning to procure 35.7 MMT in MY 2019-20.

All India weekly average prices increased by 0.53 percent to Rs. 2045.85 per quintal during the week ended 08th April 2019. Wheat average price were ruling at Rs 2035.07 per quintal during 24-31 March 2019. As compared to prices in the week 01-08 April 2018, the prices are firm by 7.58 percent. Prices are expected to remain weak in coming days due to abundant availability and arrival pressure in domestic market.

India mainly imports from Australia and Russia. Wheat prices remained steady to weak in past week. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$336.70 (Rs 23400.00) per tonne and \$328.61 (Rs 22835.00) 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 21500 per tonne and Rs 22000 per tonne respectively.

India is not likely to import wheat in MY 2019-20 due to three consecutive good production years. India has abundant supplies to meet its domestic demand for wheat. Wheat in central pool as on 01st April'19 is expected to be around 18.50 MMT. As of now prices will remain under pressure due to fresh arrivals.

Government agencies have started procurement. Until 04th April'19 government has procured around 1.36 lakh tonnes of wheat. Of the total quantity procured, around 1.32 lakh tonnes have been procured from Madhya Pradesh and 0.04 lakh tonnes from Rajasthan. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

Wheat market is likely to remain weak in upcoming days due to ample availability in domestic market and 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. Furthermore, imports will also remain at lower side in MY 2019-20.

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.

International Market Update:

As per latest update, Egypt has rejected French around 63000 tonnes of wheat shipment due to high ergot content. Ergot level was found at 0.1 percent whereas the acceptable limit is 0.05 percent. Earlier Egypt has rejected Romanian wheat due to a non-specified "quality issue".

Russian milling wheat prices remained steady to weak by \$0-1 per tonne at Novorossiysk and steady to firm at Odessa by \$0-1 per tonne compared to last week. Therefore wheat quotes did not change significantly during the past week. As per IGC, Russia is expected to produce 77.10 MMT in 2019-20 compared to 71.70 MMT in 2018-19. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$223.00-229.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$223.00-228.00/tonne.

Feed Leaders Committee of South Korea has purchased around 65000 tonnes of feed wheat at \$212.99/tonne cost and freight. Around \$1.25 per tonne will be charged for port unloading. The quantity is likely to be shipped by September 30th. Feed wheat can be sourced from any origin.

Taiwan flour mills association has bought 110000 tonnes of milling wheat from United States. Of the total quantity, 27910 tonnes of U.S. dark northern spring wheat of 14.5 percent protein content bought at FOB \$254.13 per tonne, 19665 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$244.88 per tonne and 7425 tonnes of soft white wheat with 9 percent protein was bought at FoB \$222.30 per tonne. The seller was trading house Cargill.

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

Wheat Futures Contact: NCDEX Price							Date:10.04.2019 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	7	1848	1855	1840	1855	220	20	1640	200
19-May	4	1835	1835	1835	1835	10	-90	830	0
19-Jun	0	1895	1895	1895	1895	0	0	0	0

Spread	Apr-19	May-19	June-19
Spot Narella			
19-Apr	-15		
19-May		-20	
19-Jun			60

Stocks	Demat	In-Process	Total	EDD
	09.Apr.19	09.Apr.19	09.Apr.19	08.Apr.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 10.04.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Apr-19	09-Apr-19	
Delhi	Lawrence Road	Mill Delivery	1930	1930	Unch
	Narella	Mill Quality Loose	Closed	1870	-
	Nazafgarh	Mill Quality Loose	Closed	1840	-
Gujarat	Rajkot	Mill Delivery	1750	1750	Unch
	Ahmedabad	Mill Delivery	1900	1910	-10
	Surat	Mill Delivery	1960	1960	Unch
	Dhrol	Mill Quality Loose	2325	2030	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	1800	1750	50
Rajasthan	Kota	Mill Quality Loose	1680	1710	-30
		Mill Delivery	1800	1820	-20
U.P.	Kanpur	Mill Delivery	2150	2150	Unch
	Mathura	Mill Quality Loose	1725	1715	10
	Kosi	Mill Quality Loose	1800	1750	50
	Hathras	Mill Quality Loose	1825	1825	Unch
	Aligarh	Mill Quality Loose	Closed	1750	-
Punjab	Khanna	Mill Quality Loose	1850	1860	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1865	1865	Unch
	Hodal	Mill Delivery	2050	2050	Unch

	Bhiwani	Mill Quality Loose	1900	1900	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2150	2150	Unch
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
Bihar	Khagariya	Mill Delivery	1750	1850	-100
	Muzaffarpur	Mill Delivery	1800	1880	-80
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Apr-19	09-Apr-19	
Gujarat	Rajkot	Lokwan	1950	1950	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	Closed	2500	-
Rajasthan	Kota	Lokwan Bilty	1950	1900	50
	Baran	Lokwan	1775	1800	-25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Apr-19	09-Apr-19	
Delhi	Lawrence Road	Mill Delivery	9000	9000	Unch
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	650	-
Gujarat	Rajkot	Mill Quality Loose	6000	8000	-2000
	Dhrol	Mill Quality Loose	60	95	-35
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	60000	70000	-10000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	20000	30000	-10000
	Kosi	Mill Quality Loose	340	500	-160
	Hathras	Mill Quality Loose	250	450	-200
	Aligarh	Mill Quality Loose	Closed	2000	-
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	10000	10000	Unch
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	10-Apr-19	09-Apr-19	Change
Atta (50kg) Ordinary	1220	1220	Unch
Maida Grade 1 (50KG)	1180	1180	Unch
Suji (50kg)	1255	1255	Unch
Chokar (50 kg)	810	810	Unch
Chokar (34 kg)	550	550	Unch
Chakki Atta (50kg)	1350	1350	Unch
Chakki Atta (50kg) Special	1360	1360	Unch
Chakki Atta (90kg) Superfine	2480	2480	Unch
Chakki Atta (50kg) Superfine	1380	1380	Unch

Wheat (CBOT) Future Price:09.04.2019					
Contract Month	Open	High	Low	Close	Change
19-May	462.00	462.50	456.25	459.50	-5.75
19-Jul	466.00	467.25	461.00	464.00	-4.75
19-Sep	474.50	476.00	469.75	473.00	-4.25
19-Dec	489.50	491.75	485.50	489.25	-3.25
20-Mar	503.00	505.25	499.50	503.25	-2.75
20-May	509.50	512.25	506.50	510.25	-2.25

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