

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:

Bangladesh has bought 50000 tonnes of wheat with 12.5 percent protein content from trading house Agrocorp at \$268.92 per tonne. As per FAO Bangladesh's wheat imports for 2018-19 are expected to touch record high of 6 MMT. Demand for wheat in Bangladesh has increased as wheat is being substituted for more expensive rice.

Russian milling wheat prices were weak by \$1-2 per tonne at Novorossiysk and by \$1 per tonne at Odessa port. Trading activity in Russian wheat market is low. 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 \$222.00-227.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$222.00-227.00/tonne.

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".

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:11.04.2019 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	-38	1848	1855	1810	1810	70	-150	1640	0
19-May	+8	1835	1854	1843	1843	70	+60	840	+10
19-Jun	0	1889	1889	1889	1889	0	0	0	0

Spread	Apr-19	May-19	June-19
Spot Narella			
19-Apr	-40		
19-May		33	
19-Jun			46

Stocks	Demat	In-Process	Total	EDD
	10.Apr.19	10.Apr.19	10.Apr.19	08.Apr.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	NA	NA	NA	NA
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 11.04.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Apr-19	10-Apr-19	
Delhi	Lawrence Road	Mill Delivery	1930	1930	Unch
	Narella	Mill Quality Loose	1850	Closed	-
	Nazafgarh	Mill Quality Loose	1815	Closed	-
Gujarat	Rajkot	Mill Delivery	1860	1850	10
	Ahmedabad	Mill Delivery	1920	1900	20
	Surat	Mill Delivery	1960	1960	Unch
	Dhrol	Mill Quality Loose	2300	2325	-25
M.P.	Indore	Mill Delivery	1825	Closed	-
	Bhopal	Mill Quality Loose	1750	1800	-50
Rajasthan	Kota	Mill Quality Loose	1680	1680	Unch
		Mill Delivery	1800	1800	Unch
U.P.	Kanpur	Mill Delivery	2060	2100	-40
	Mathura	Mill Quality Loose	1745	1725	20
	Kosi	Mill Quality Loose	1850	1800	50
	Hathras	Mill Quality Loose	1800	1825	-25
	Aligarh	Mill Quality Loose	1750	Closed	-
Punjab	Khanna	Mill Quality Loose	1850	1850	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1865	-25
	Hodal	Mill Delivery	Closed	2050	-

	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	1750	Unch
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Apr-19	10-Apr-19	
Gujarat	Rajkot	Lokwan	2000	1950	50
M.P.	Indore	Lokwan	2000	Closed	-
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	1775	1775	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Apr-19	10-Apr-19	
Delhi	Lawrence Road	Mill Delivery	10000	9000	1000
	Narella	Mill Quality Loose	800	Closed	-
	Nazafgarh	Mill Quality Loose	3000	Closed	-
Gujarat	Rajkot	Mill Quality Loose	7000	6000	1000
	Dhrol	Mill Quality Loose	56	60	-4
M.P.	Indore	Mill Quality Loose	4000	Closed	-
Rajasthan	Kota	Mill Quality	50000	60000	-10000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	25000	20000	5000
	Kosi	Mill Quality Loose	3500	340	3160
	Hathras	Mill Quality Loose	650	250	400
	Aligarh	Mill Quality Loose	3000	Closed	-
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	200	300
	Hodal	Mill Quality Loose	Closed	10000	-
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	11-Apr-19	10-Apr-19	Change
Atta (50kg) Ordinary	1190	1220	-30
Maida Grade 1 (50KG)	1200	1180	20
Suji (50kg)	1245	1255	-10
Chokar (50 kg)	810	810	Unch
Chokar (34 kg)	551	550	1
Chakki Atta (50kg)	1325	1350	-25
Chakki Atta (50kg) Special	1350	1360	-10
Chakki Atta (90kg) Superfine	2450	2480	-30
Chakki Atta (50kg) Superfine	1360	1380	-20

Wheat (CBOT) Future Price: 10.04.2019					
Contract Month	Open	High	Low	Close	Change
19-May	459.00	461.75	455.50	458.00	-1.50
19-Jul	463.75	464.75	460.00	461.50	-2.50
19-Sep	473.00	474.00	469.50	470.50	-2.50
19-Dec	489.25	490.00	485.75	487.00	-2.25
20-Mar	502.25	504.25	499.75	501.25	-2.00
20-May	509.25	511.00	507.50	508.75	-1.50

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