

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 0.65 percent to Rs. 2007.07 per quintal during the week ended 23rd April 2019. Wheat average price were ruling at Rs 2020.21 per quintal during 09-15 April 2019. As compared to prices in the week 16-23 April 2018, the prices are firm by 6.45 percent. Prices are expected to remain weak in coming days due to abundant availability and arrival pressure in domestic market.

As per market sources government may increase import duty on wheat by 10 percent to 40 percent. This may be done to make sure there is no window left for cheaper imports. Three consecutive good production years have led to ample availability in the domestic market. Furthermore, it will also provide support to government in offloading wheat stocks as without any import parity private traders/millers will buy from FCI.

Government agencies have started procurement. Until 22nd April'19 government has procured around 55.17 lakh tonnes of wheat. Of the total quantity procured, around 28.54 lakh tonnes have been procured from Haryana, 18.89 lakh tonnes from Madhya Pradesh, 1.97 lakh tonnes from Rajasthan, 2.78 lakh tonnes from Uttar Pradesh, 2.90 lakh tonnes from Punjab, 0.03 lakh tonnes from Gujarat, 0.03 lakh tonnes from Chandigarh and 0.03 lakh tonnes from Uttarakhand. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

Rain and squall in states of Punjab, Haryana, Rajasthan and Madhya Pradesh has damaged ready to harvest wheat crop. The rain has not only damaged standing crop but also harvested crop lying at grain markets in open. Higher moisture content than usual is also posing a difficulty for farmers while selling their crop. Prolonged winter has delayed wheat harvest this Rabi season. Officials are assessing damage to wheat crop for arriving at actual losses.

India mainly imports from Australia and Russia. Wheat prices remained weak in past week. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$332.80 (Rs 23096.32) per tonne and \$315.90 (Rs 21923.46) 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.

Wheat WPI has decreased from 157.2 in February-2019 to 155.5 in March-2019. Monthly wheat inflation has decreased by 1.08 percent in March-2019 compared to previous month. As compared to March-2018 wheat WPI has increased by around 10.13 percent. Wheat WPI is expected to stay steady to weak in coming month.

As per market sources, wheat stock in central pool as on 1st April'19 stood at 169.92 lakh tonnes down by 15.50% compared to last month. This quantity is higher by around 28.43% 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 April'19 is highest in last three years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

As per trade source, India has exported around 10.69 thousand tonnes in the month of March-2019. The quantity in March-2019 was exported at an average FOB of \$ 341.00 per tonne and the major destinations were Nepal, UAE and Sri Lanka. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

International Market Update:

Taiwan flour mills association has bought 109175 tonnes of milling wheat from united states. Of the total quantity, 29250 tonnes of U.S. dark northern spring wheat of 14.5 percent protein content bought at FoB \$230.81 per tonne, 18400 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$220.41 per tonne, 6525 tonnes of white wheat of 9 percent protein content was bought at FoB \$218.60 per tonne, 30260 tonnes of dark northern spring wheat of 14.5 percent protein content was bought at FoB \$229.65 per tonne, 17935 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$216.71 per tonne, and 6805 tonnes of red winter wheat of 12.5 percent protein content was bought at FoB \$219.30 per tonne.

Russian milling wheat prices were weak by \$1 per tonne at Novorossiysk and by \$1-2 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 \$222.00-226.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$221.00-225.00/tonne.

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.

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

Wheat Futures Contact: NCDEX Price							Date:25.04.2019 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-May	-1	1894	1900	1894	1896	1040	-700	5040	+920
19-Jun	+14	1900	1926	1920	1920	60	-360	410	+50
19-Jul	0	1906	1906	1906	1906	0	0	0	0

Spread	May-19	June-19	July-19
Spot Narella			
19-May	71		
19-Jun		24	
19-Jul			-14

Stocks	Demat	In-Process	Total	EDD
	24.Apr.19	24.Apr.19	24.Apr.19	22.Apr.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3294	481	3775	3132
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 25.04.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Apr-19	24-Apr-19	
Delhi	Lawrence Road	Mill Delivery	1900	1900	Unch
	Narella	Mill Quality Loose	1825	Closed	-
	Nazafgarh	Mill Quality Loose	1750	Closed	-
Gujarat	Rajkot	Mill Delivery	1875	1870	5
	Ahmedabad	Mill Delivery	1960	1960	Unch
	Surat	Mill Delivery	2000	2000	Unch
	Dhrol	Mill Quality Loose	2110	2085	25
M.P.	Indore	Mill Delivery	1860	1860	Unch
	Bhopal	Mill Quality Loose	1750	1725	25
Rajasthan	Kota	Mill Quality Loose	1770	1750	20
		Mill Delivery	1900	1800	100
U.P.	Kanpur	Mill Delivery	1785	1790	-5
	Mathura	Mill Quality Loose	1690	1665	25
	Kosi	Mill Quality Loose	1875	1880	-5
	Hathras	Mill Quality Loose	1740	1740	Unch
	Aligarh	Mill Quality Loose	1715	Closed	-
Punjab	Khanna	Mill Quality Loose	1840	1840	Unch
	Ludhiana (Jagraon)	Mill Delivery	1875	1875	Unch
Haryana	Sirsa	Mill Delivery loose	1840	1840	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1850	1840	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1840	1840	Unch
Tamil Nadu	Chennai	Mill Quality	2150	2175	-25
	Madurai	Mill Quality	2207	2232	-25
	Coimbatore	Mill Quality	2207	2232	-25
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1680	1700	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Apr-19	24-Apr-19	
Gujarat	Rajkot	Lokwan	2050	2000	50
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	1850	1850	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Apr-19	24-Apr-19	
Delhi	Lawrence Road	Mill Delivery	10000	11000	-1000
	Narella	Mill Quality Loose	800	Closed	-
	Nazafgarh	Mill Quality Loose	3000	Closed	-
Gujarat	Rajkot	Mill Quality Loose	3200	3500	-300
	Dhrol	Mill Quality Loose	56	52	4
M.P.	Indore	Mill Quality Loose	14000	14000	Unch
Rajasthan	Kota	Mill Quality	50000	30000	20000
U.P.	Kanpur	Mill Quality Loose	1000	800	200
	Mathura	Mill Quality Loose	30000	25000	5000
	Kosi	Mill Quality Loose	10540	10500	40
	Hathras	Mill Quality Loose	750	750	Unch
	Aligarh	Mill Quality Loose	20000	Closed	-
Punjab	Khanna	Mill Quality Loose	90000	150000	-60000
	(Ludhiana)Jagraon	Mill Quality Loose	60000	50000	10000
Haryana	Sirsa	Mill Quality Loose	20000	20000	Unch
	Hodal	Mill Quality Loose	30000	30000	Unch
	Bhiwani	Mill Quality Loose	10000	8000	2000

	Karnal	Mill Delivery	100000	50000	50000
	Panipat	Mill Quality Loose	40000	50000	-10000

Wheat Products Delhi	25-Apr-19	24-Apr-19	Change
Atta (50kg) Ordinary	1110	1160	-50
Maida Grade 1 (50KG)	1225	1220	5
Suji (50kg)	1230	1230	Unch
Chokar (50 kg)	830	830	Unch
Chokar (34 kg)	565	565	Unch
Chakki Atta (50kg)	1250	1300	-50
Chakki Atta (50kg) Special	1280	1330	-50
Chakki Atta (90kg) Superfine	2350	2400	-50
Chakki Atta (50kg) Superfine	1305	1335	-30

Wheat (CBOT) Future Price: 24.04.2019					
Contract Month	Open	High	Low	Close	Change
19-May	438.00	439.50	429.75	432.25	-6.50
19-Jul	444.50	445.75	436.00	438.50	-6.50
19-Sep	451.00	452.25	443.00	446.00	-5.75
19-Dec	468.00	468.50	459.50	462.75	-5.50
20-Mar	485.00	485.00	477.00	479.50	-5.50
20-May	493.25	493.25	487.25	489.25	-5.50

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