

Wheat Domestic Fundamentals:

Government has sold 241550 tonnes of wheat in OMSS until first tender in August'19. No rakes were sold. State government and bulk consumers bought 228050 tonnes and 13500 tonnes of wheat respectively. Government sold wheat in open market at a reserve price of Rs 2080 per quintal in the first quarter i.e. April-June. For second, third and fourth quarter prices will be Rs 2135 per quintal, Rs 2190 per quintal and Rs 2245 per quintal respectively. Millers/traders have bought as much quantity as they could during arrival season due to higher reserve price. This was the main reason for lower sale through OMSS. Stock with millers/traders has diminished and sales through OMSS is likely to witness an increasing trend in upcoming weeks.

As per latest update, the Indian institute of wheat and barley research (IIWBR) has proposed a new variety known as DBW-187. This variety has already gained acceptance in north eastern states. Now IIWBR is planning to introduce the same in Haryana, Punjab and Western Uttar Pradesh. This variety is expected to replace HD-2967 and HD-3086 variety. The DBW-187 also known as karan vandana will have more than 12 percent protein content. Furthermore, yield of DBW-187 is expected to be around 7.5 tonnes per hectare compared to 6.5 tonnes per hectare for normal variety.

As per latest update, demand for wheat has increased in the feed industry due to higher prices of maize. However this trend is short lived as imported quantity of maize is likely to arrive during September and new crop in domestic market will start from October. Furthermore, government will increase reserve price of wheat by Rs 55 per quintal for the third quarter (Oct-Dec) to Rs 2190 per quintal.

Arhtiyas (commission agent) play a crucial role in procurement by providing around 66 percent of farm loans. The state is rolling out the public financial management system (PFMS) in two months. Arhtiyas were fearful that they might get affected. Punjab government has made it clear that under the APMC act, it is a state subject and the government is authorized to modify PFMS to retain role of Arhtiyas.

As per latest update, Punjab Chief Minister Amarinder Singh has asked the state to draw a comprehensive crop diversification model to save water that is being consumed in growing wheat and rice. CM also stressed on prioritizing less water consuming crops such as maize and cotton.

All India weekly average prices increased by 5.07 percent to Rs. 2121.87 per quintal during the week ended 31st July 2019. Wheat average price were ruling at Rs 2019.57 per quintal during 16-23 July 2019. As compared to prices in the week 24-31 July 2018, the prices are firm by 10.03 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and good demand in domestic market.

India has huge stockpiles of wheat. However India is not able to export wheat due to huge price difference. Neighbouring country like Bangladesh has approved a purchase of 1 LMT from Russia at \$267.30 per tonne including cost, insurance, freight and port related expenses. Whereas Wheat mill delivery price in Indore is hovering around \$309 per tonne.

As per latest update, roller flour mills in Punjab are facing a supply shortage even after bumper production as well as procurement in Punjab. According to Punjab Mandi Board, around 70-75 percent of wheat in the state is procured by procurement agencies. Due to luster loss this year, wheat sold by FCI is not fit for making Maida but can be used for making Aata. Therefore millers in Punjab are dependent on wheat supply from Uttar Pradesh. However that too has stopped due to better prices of wheat in Uttar Pradesh itself. Millers have met FCI official and asked for supply of wheat from August 15. FCI official have said, "We are working on it, this is not an issue which cannot be sorted out".

International Market Update:

As on 02nd August Russia has harvested 46.70 million tonnes of wheat compared to 39.5 million tonnes a year ago for the same date. Around 12.9 million hectares of area has been harvested with an average yield of 3.62 tonnes per hectare compared to 10.9 million hectares with an average yield of 3.64 tonnes per hectare a year ago for same date. Russian wheat with 11.5% protein content is being quoted at FoB \$ 188.00 per tonne.

Farm ministry has increased soft wheat production in France to 38.2 MMT up by 12 percent compared to last year. Forecast has been increased as analysts believe that heat wave in June and July had little impact on yields.

GASC (General Authority for Supply Commodities) has purchased 415000 tonnes of Russia, Ukraine and Romanian wheat through tender. Of the total quantity 60000 tonnes was of Romanian origin, 115000 tonnes was of Ukrainian origin and 240000 tonnes was of Russian origin. Egypt has bought 300000 MT of wheat in its last tender. Egypt is the largest importer of wheat and imports around 11-12 MMT of wheat every year.

Russia is expected to dominate the world wheat export market this year. Although sovecon has reduced production forecast however it is still higher compared to last year. Indonesia is one of the largest importer of wheat and a top buyer of Australian wheat. Due to third consecutive dry season availability of wheat for export in Australia has been impacted. Argentina has captured some demand but major share will be captured by Black Sea wheat. On an average, the spread between Australia standard wheat (ASW) and black sea wheat has increased from \$12 per tonne in 2017 to \$24 per tonne in 2019.

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

Wheat Futures Contract: NCDEX Price							Date:13.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	2	2050	2060	2045	2050	480	-300	3800	-190
19-Sep	0	2083	2083	2070	2083	200	-530	10110	110
19-Oct	-4	2116	2112	2109	2112	20	0	140	20

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	-10		
19-Sep		33	
19-Oct			29

Stocks	Demat	In-Process	Total	EDD
	12.Aug.19	12.Aug.19	12.Aug.19	12.Aug.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33719	0	33713	33718
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 13.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Aug-19	12-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2150	2155	-5
	Narella	Mill Quality Loose	2060	2055	5
	Nazafgarh	Mill Quality Loose	2015	2000	15
Gujarat	Rajkot	Mill Delivery	2125	2125	Unch
	Ahmedabad	Mill Delivery	2210	2210	Unch
	Surat	Mill Delivery	2260	2250	10
	Dhrol	Mill Quality Loose	2160	2130	30
M.P.	Indore	Mill Delivery	2160	2150	10
	Bhopal	Mill Quality Loose	2100	Closed	-
Rajasthan	Kota	Mill Quality Loose	1970	1960	10
		Mill Delivery	2080	2080	Unch
U.P.	Kanpur	Mill Delivery	2050	Closed	-
	Mathura	Mill Quality Loose	1930	Closed	-
	Kosi	Mill Quality Loose	1960	1970	-10
	Hathras	Mill Quality Loose	1930	NR	-
	Aligarh	Mill Quality Loose	1950	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2030	Closed	-
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2000	Closed	-
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	2010	2010	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Aug-19	12-Aug-19	
Gujarat	Rajkot	Lokwan	2175	2175	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	NA	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1900	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Aug-19	12-Aug-19	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	16	17	-1
M.P.	Indore	Mill Quality Loose	6000	8000	-2000
Rajasthan	Kota	Mill Quality	3000	2000	1000
U.P.	Kanpur	Mill Quality Loose	700	Closed	-
	Mathura	Mill Quality Loose	500	Closed	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	50	NR	-
	Aligarh	Mill Quality Loose	800	Closed	-
Punjab	Khanna	Mill Quality Loose	Closed	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	Closed	-
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	250	Closed	-

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

Wheat Products Delhi	13-Aug-19	12-Aug-19	Change
Atta (50kg) Ordinary	1175	1175	Unch
Maida Grade 1 (50KG)	1325	1325	Unch
Suji (50kg)	1280	1280	Unch
Chokar (50 kg)	850	850	Unch
Chokar (34 kg)	578	578	Unch
Chakki Atta (50kg)	1300	1300	Unch
Chakki Atta (50kg) Special	1325	1325	Unch
Chakki Atta (90kg) Superfine	2403	2403	Unch
Chakki Atta (50kg) Superfine	1335	1335	Unch

Wheat (CBOT) Future Price: 12.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	500.00	502.00	466.50	471.75	-27.75
19-Dec	502.25	503.75	471.50	476.25	-25.25
20-Mar	509.00	510.50	479.50	484.00	-25.00
20-May	514.75	515.00	485.00	489.75	-24.25
20-Jul	518.50	519.00	490.00	495.00	-23.00
20-Sep	521.75	526.25	498.50	503.75	-21.00

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