

Wheat Domestic Fundamentals:

As per market sources, wheat stock in central pool as on 1st August'19 stood at 435.88 lakh tonnes down by 4.89% compared to last month. This quantity is higher by around 7.47% 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. 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 150.8 in June-2019 to 153.4 in July-2019. Monthly wheat inflation has increased by 1.72 percent in July-2019 compared to previous month. As compared to July-2018 wheat WPI has increased by around 5.87 percent. Wheat WPI is expected to stay steady to firm in coming month

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. 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.

International Market Update:

As on 08th August Russia has harvested 49.80 million tonnes of wheat compared to 47.1 million tonnes a year ago for the same date. Around 13.8 million hectares of area has been harvested with an average yield of 3.61 tonnes per hectare compared to 13.2 million hectares with an average yield of 3.57 tonnes per hectare a year ago for same date. Russian wheat with 11.5% protein content is being quoted at FoB \$ 186.50 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:14.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	0	2051	2060	2045	2051	0	-480	3800	0
19-Sep	-2	2071	2071	2071	2071	10	-190	10110	0
19-Oct	4	2111	2115	2112	2115	20	0	160	20

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	-9		
19-Sep		20	
19-Oct			44

Stocks	Demat	In-Process	Total	EDD
	13.Aug.19	13.Aug.19	13.Aug.19	12.Aug.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33719	0	33719	33718
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 14.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Aug-19	13-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2155	2150	5
	Narella	Mill Quality Loose	Closed	2060	-
	Nazafgarh	Mill Quality Loose	Closed	2015	-
Gujarat	Rajkot	Mill Delivery	2110	2125	-15
	Ahmedabad	Mill Delivery	2190	2210	-20
	Surat	Mill Delivery	2240	2260	-20
	Dhrol	Mill Quality Loose	NR	2160	-
M.P.	Indore	Mill Delivery	2160	2160	Unch
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	1970	1970	Unch
		Mill Delivery	2080	2080	Unch
U.P.	Kanpur	Mill Delivery	2015	2050	-35
	Mathura	Mill Quality Loose	Closed	1930	-
	Kosi	Mill Quality Loose	1960	1960	Unch
	Hathras	Mill Quality Loose	1835	1830	5
	Aligarh	Mill Quality Loose	Closed	1950	-
Punjab	Khanna	Mill Quality Loose	1975	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2025	2030	-5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2020	2000	20
	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	2150	2050	100
	Muzaffarpur	Mill Delivery	2025	2010	15
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Aug-19	13-Aug-19	
Gujarat	Rajkot	Lokwan	2200	2175	25
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	NA	NA	-
	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
			14-Aug-19	13-Aug-19	
Delhi	Lawrence Road	Mill Delivery	6500	8000	-1500
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	1600	800	800
	Dhrol	Mill Quality Loose	NR	16	-
M.P.	Indore	Mill Quality Loose	5000	6000	-1000
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	500	700	-200
	Mathura	Mill Quality Loose	Closed	500	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	100	50	50
	Aligarh	Mill Quality Loose	Closed	800	-
Punjab	Khanna	Mill Quality Loose	500	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	250	150

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

Wheat Products Delhi	14-Aug-19	13-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: 13.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	471.00	478.75	465.50	472.00	0.25
19-Dec	474.00	481.75	469.50	475.75	-0.50
20-Mar	483.00	489.25	477.75	483.25	-0.75
20-May	489.50	495.00	483.50	489.25	-0.50
20-Jul	493.75	501.00	488.50	494.50	-0.50
20-Sep	502.00	509.25	498.00	502.50	-1.25

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.