

Wheat Domestic Fundamentals:

All India weekly average prices increased by 1.53 percent to Rs. 2175.77 per quintal during the week ended 23rd August 2019. Wheat average price were ruling at Rs 2143.07 per quintal during 09-15 August 2019. As compared to prices in the week 16-23 August 2018, the prices are firm by 7.16 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and good demand in domestic market.

As per market sources, Madhya Pradesh government is likely to reduce mandi tax by 0.5 percent to 1 percent. Generally mandi tax is paid by traders to APMC. The state government believes that traders will pass on this benefit to farmers thereby increasing their income. Madhya Pradesh is one the leading grower of wheat in the country.

As per trade source, India has exported around 23.57 thousand tonnes in the month of July-2019. The quantity in July-2019 was exported at an average FOB of \$ 363.97 per tonne and the major destinations were Nepal, UAE, Sri Lanka and Bahrain. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per fourth advance estimate, India is likely to produce 102.19 MMT of wheat compared to 99.70 MMT in previous year. The total food grain production is expected at record 284.95 MMT compared to 285.01 MMT last year. Wheat prices are expected to remain steady to firm due to good demand in domestic market and no imports. Furthermore government has ample stock available to control any unexpected price surge.

As per trade sources, after increase in import duty to 40 percent imports have decreased substantially. India has imported no wheat in the month of July-19. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 498.77 tonnes in the month of April-2019.

India mainly imports from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$345.80 (Rs 24641.71) per tonne and \$467.04 (Rs 33281.27) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai is ruling around Rs 23500-24000 per tonne. Therefore, as of now, there is no parity for wheat imports.

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.

International Market Update:

Russia may be able to enter yet another market as Saudi Arabia's grain agency will give some relaxation for bug damage in wheat imports. This process is likely to start from next wheat tender. However, this may hurt European Union as it is a major supplier of wheat for Saudi Arabia.

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.

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

Wheat Futures Contract: NCDEX Price							Date:23.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	-19	2095	2082	2075	2076	240	230	10060	-100
19-Oct	0	2118	2118	2118	2118	100	100	290	100
19-Nov	0	2151	2151	2151	2151	0	0	0	0

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	26		
19-Oct		42	
19-Nov			33

Stocks	Demat	In-Process	Total	EDD
	22.Aug.19	22.Aug.19	22.Aug.19	19.Aug.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33719	0	33719	33718
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 23.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Aug-19	22-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2140	2145	-5
	Narella	Mill Quality Loose	2050	2060	-10
	Nazafgarh	Mill Quality Loose	2030	2015	15
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	Closed	2160	-
	Bhopal	Mill Quality Loose	Closed	1975	-
Rajasthan	Kota	Mill Quality Loose	1950	1970	-20
		Mill Delivery	2070	2100	-30
U.P.	Kanpur	Mill Delivery	Closed	2030	-
	Mathura	Mill Quality Loose	Closed	1930	-
	Kosi	Mill Quality Loose	1980	1980	Unch
	Hathras	Mill Quality Loose	1920	1935	-15
	Aligarh	Mill Quality Loose	1950	1950	Unch
Punjab	Khanna	Mill Quality Loose	Closed	1960	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2025	2025	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2050	2040	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2450	2400	50
	Madurai	Mill Quality	2507	2457	50
	Coimbatore	Mill Quality	2507	2457	50
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	2035	2040	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Aug-19	22-Aug-19	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	Closed	2400	-
	Bhopal	Lokwan	Closed	NA	-
	Bina	Sarbati 306	Closed	2500	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	1900	1910	-10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Aug-19	22-Aug-19	
Delhi	Lawrence Road	Mill Delivery	10000	9000	1000
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	Closed	5000	-
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	Closed	800	-
	Mathura	Mill Quality Loose	Closed	500	-
	Kosi	Mill Quality Loose	200	300	-100
	Hathras	Mill Quality Loose	60	50	10
	Aligarh	Mill Quality Loose	400	400	Unch
Punjab	Khanna	Mill Quality Loose	Closed	600	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	250	200	50

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

Wheat Products Delhi	23-Aug-19	22-Aug-19	Change
Atta (50kg) Ordinary	1160	1160	Unch
Maida Grade 1 (50KG)	1330	1330	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:22.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	462.75	470.50	460.75	467.25	4.75
19-Dec	468.00	474.50	466.00	471.75	3.75
20-Mar	475.00	479.50	472.25	477.75	3.25
20-May	479.25	483.75	476.50	481.75	2.50
20-Jul	483.25	488.00	480.75	485.75	2.00
20-Sep	492.00	495.50	489.75	493.75	1.75

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