

Wheat Domestic Fundamentals:

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 \$343.00 (Rs 24764.60) per tonne and \$445.34 (Rs 32153.55) 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 24000 per tonne. Therefore, as of now, there is no parity for wheat imports.

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.

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:

As on 23rd August Russia has harvested 57.00 million tonnes of wheat compared to 55.00 million tonnes a year ago for the same date. Around 16.60 million hectares of area has been harvested with an average yield of 3.44 tonnes per hectare compared to 16.40 million hectares with an average yield of 3.36 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.

As per latest update, SAGO has decided to buy 10 percent of its annual wheat requirement from Saudi-controlled companies based abroad. Such companies should produce 5000 tonnes of wheat and Saudi investors must own 51 percent stake. Furthermore, these companies must be registered at the kingdom's ministry of environment, water and agriculture

As per latest update, South Korean flour mill has bought 30000 tonnes of wheat of U.S. origin. The said quantity is expected to arrive in South Korea between 20th Nov- 20th Dec. The millers paid FoB \$212.96 per tonne for soft wheat with 10.5 percent protein content, FoB \$201.56 per tonne for hard wheat with 11.5 percent protein content and FoB \$217.93 per tonne for spring wheat with 14 percent protein content.

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.

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

Wheat Futures Contract: NCDEX Price							Date:26.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	-5	2080	2085	2075	2075	220	-20	10160	100
19-Oct	-16	2118	2102	2102	2102	10	-90	290	0
19-Nov	0	2156	2156	2156	2156	0	0	0	0

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	35		
19-Oct		27	
19-Nov			54

Stocks	Demat	In-Process	Total	EDD
	23.Aug.19	23.Aug.19	23.Aug.19	19.Aug.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33719	0	33719	33718
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 26.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Aug-19	23-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2140	2140	Unch
	Narella	Mill Quality Loose	2040	2050	-10
	Nazafgarh	Mill Quality Loose	2020	2030	-10
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	2080	NR	-
M.P.	Indore	Mill Delivery	2160	Closed	-
	Bhopal	Mill Quality Loose	2000	Closed	-
Rajasthan	Kota	Mill Quality Loose	1970	1950	20
		Mill Delivery	2100	2070	30
U.P.	Kanpur	Mill Delivery	2050	Closed	-
	Mathura	Mill Quality Loose	1920	Closed	-
	Kosi	Mill Quality Loose	1970	1980	-10
	Hathras	Mill Quality Loose	1920	1920	Unch
	Aligarh	Mill Quality Loose	1955	1950	5
Punjab	Khanna	Mill Quality Loose	1950	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2025	2025	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2010	2050	-40
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2450	2450	Unch
	Madurai	Mill Quality	2507	2507	Unch
	Coimbatore	Mill Quality	2507	2507	Unch
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	2030	2035	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Aug-19	23-Aug-19	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2500	Closed	-
	Bhopal	Lokwan	NA	Closed	-
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2175	2150	25
	Baran	Lokwan	1900	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Aug-19	23-Aug-19	
Delhi	Lawrence Road	Mill Delivery	5000	10000	-5000
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	5	NR	-
M.P.	Indore	Mill Quality Loose	8000	Closed	-
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	1200	Closed	-
	Mathura	Mill Quality Loose	200	Closed	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	85	60	25
	Aligarh	Mill Quality Loose	600	400	200
Punjab	Khanna	Mill Quality Loose	500	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	300	250	50

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

Wheat Products Delhi	26-Aug-19	23-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:23.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	466.75	475.75	461.25	475.25	8.00
19-Dec	471.25	478.50	465.75	477.75	6.00
20-Mar	477.50	484.00	471.50	483.50	5.75
20-May	481.00	487.50	475.50	486.75	5.00
20-Jul	485.00	491.25	479.50	490.50	4.75
20-Sep	493.50	498.50	488.75	498.25	4.50

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