

**Wheat Domestic Fundamentals:**

**As per latest update, wheat prices remained steady to weak due to poor demand from flour millers and stockiest.** Demand was limited due to high spot prices in domestic market. Government off take is likely to increase in upcoming weeks as stock with private trade has declined. 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.

**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.

**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 Contact: NCDEX Price							Date:28.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	0	2071	2090	2061	2071	0	-540	10130	0
19-Oct	-5	2102	2100	2097	2097	50	-120	460	40
19-Nov	0	2133	2133	2133	2133	0	0	0	0

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	41		
19-Oct		26	
19-Nov			36

Stocks	Demat	In-Process	Total	EDD
	27.Aug.19	27.Aug.19	27.Aug.19	26.Aug.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33719	0	33719	33718
Baran	-	-	-	-

### Wheat Daily Prices and Arrivals on 28.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Aug-19	27-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2145	2150	-5
	Narella	Mill Quality Loose	Closed	2030	-
	Nazafgarh	Mill Quality Loose	Closed	2020	-
Gujarat	Rajkot	Mill Delivery	2100	Closed	-
	Ahmedabad	Mill Delivery	2160	Closed	-
	Surat	Mill Delivery	2225	Closed	-
	Dhrol	Mill Quality Loose	2155	2050	105
M.P.	Indore	Mill Delivery	2160	2160	Unch
	Bhopal	Mill Quality Loose	2040	2030	10
Rajasthan	Kota	Mill Quality Loose	1970	Closed	-
		Mill Delivery	2080	Closed	-
U.P.	Kanpur	Mill Delivery	2050	2050	Unch
	Mathura	Mill Quality Loose	1930	1920	10
	Kosi	Mill Quality Loose	1970	1970	Unch
	Hathras	Mill Quality Loose	1920	1920	Unch
	Aligarh	Mill Quality Loose	Closed	1950	-
Punjab	Khanna	Mill Quality Loose	1980	1950	30
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2025	2025	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2020	2020	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2450	Closed	-
	Madurai	Mill Quality	2507	Closed	-
	Coimbatore	Mill Quality	2507	Closed	-
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	2025	2025	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Aug-19	27-Aug-19	
Gujarat	Rajkot	Lokwan	2150	Closed	-
M.P.	Indore	Lokwan	2500	2500	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	Closed	2500	-
Rajasthan	Kota	Lokwan Bilty	2200	Closed	-
	Baran	Lokwan	1900	1900	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-Aug-19	27-Aug-19	
Delhi	Lawrence Road	Mill Delivery	9000	5500	3500
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	1400	Closed	-
	Dhrol	Mill Quality Loose	21	36	-15
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	3000	Closed	-
U.P.	Kanpur	Mill Quality Loose	1500	1000	500
	Mathura	Mill Quality Loose	600	1200	-600
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	60	350	-290
	Aligarh	Mill Quality Loose	Closed	500	-
Punjab	Khanna	Mill Quality Loose	600	700	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	60	-10
	Bhiwani	Mill Quality Loose	400	600	-200

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

Wheat Products Delhi	28-Aug-19	27-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:27.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	472.75	477.50	470.75	473.75	0.75
19-Dec	474.50	479.75	472.75	476.75	1.50
20-Mar	481.25	485.25	479.25	481.75	0.25
20-May	484.75	488.00	483.00	484.25	-0.75
20-Jul	488.25	490.75	486.00	487.00	-1.50
20-Sep	495.25	498.25	494.25	494.75	-1.25

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