

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 per latest update, Ukraine wheat production is likely to increase by 13 percent in 2019 to 27.8 MMT compared to 24.6 MMT last year. Higher global production is keeping wheat prices under pressure. As of now Ukraine wheat with 11.5 percent protein content is hovering around FoB \$ 183.50 per tonne.

Jordan has bought 60000 tonnes of hard milling wheat at \$227.75 per tonne cost and freight for delivery in first half of November. The tender closed on Tuesday and wheat can be sourced from optional origin. The seller was trading house Nibulon. Other participants in the tender with their offers were Ameropa (\$229 a tonne CnF), Cerealcom Dolj (\$230 a tonne CnF) and Glencore (\$231 a tonne CnF).

GASC (General Authority for Supply Commodities) has purchased 350000 tonnes of Russia, Ukraine and France wheat through tender. Of the total quantity 60000 tonnes was of French origin, 60000 tonnes was of Ukrainian origin and 230000 tonnes was of Russian origin. Egypt is the largest importer of wheat and imports around 11-12 MMT of wheat every year.

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.

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

Wheat Futures Contract: NCDEX Price							Date:29.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	-11	2058	2060	2058	2060	220	220	10130	0
19-Oct	0	2098	2100	2097	2098	0	-50	460	0
19-Nov	0	2125	2125	2125	2125	0	0	0	0

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	30		
19-Oct		38	
19-Nov			27

Stocks	Demat	In-Process	Total	EDD
	28.Aug.19	28.Aug.19	28.Aug.19	26.Aug.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33719	0	33719	33718
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 29.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Aug-19	28-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2145	2145	Unch
	Narella	Mill Quality Loose	2030	Closed	-
	Nazafgarh	Mill Quality Loose	2020	Closed	-
Gujarat	Rajkot	Mill Delivery	2100	2100	Unch
	Ahmedabad	Mill Delivery	2150	2160	-10
	Surat	Mill Delivery	2240	2225	15
	Dhrol	Mill Quality Loose	2130	2155	-25
M.P.	Indore	Mill Delivery	2160	2160	Unch
	Bhopal	Mill Quality Loose	2040	2040	Unch
Rajasthan	Kota	Mill Quality Loose	1935	1970	-35
		Mill Delivery	2075	2080	-5
U.P.	Kanpur	Mill Delivery	2050	2050	Unch
	Mathura	Mill Quality Loose	1930	1930	Unch
	Kosi	Mill Quality Loose	1970	1970	Unch
	Hathras	Mill Quality Loose	1920	1920	Unch
	Aligarh	Mill Quality Loose	1960	Closed	-
Punjab	Khanna	Mill Quality Loose	1980	1980	Unch
	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	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	2025	5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Aug-19	28-Aug-19	
Gujarat	Rajkot	Lokwan	2125	2150	-25
M.P.	Indore	Lokwan	2500	2500	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	Closed	1900	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Aug-19	28-Aug-19	
Delhi	Lawrence Road	Mill Delivery	11000	9000	2000
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1000	1400	-400
	Dhrol	Mill Quality Loose	5	21	-16
M.P.	Indore	Mill Quality Loose	6000	5000	1000
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	1200	1500	-300
	Mathura	Mill Quality Loose	250	600	-350
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	60	60	Unch
	Aligarh	Mill Quality Loose	700	Closed	-
Punjab	Khanna	Mill Quality Loose	600	600	Unch
	(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	400	-100

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

Wheat Products Delhi	29-Aug-19	28-Aug-19	Change
Atta (50kg) Ordinary	1150	1160	-10
Maida Grade 1 (50KG)	1335	1330	5
Suji (50kg)	1290	1280	10
Chokar (50 kg)	840	850	-10
Chokar (34 kg)	571	578	-7
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:28.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	473.75	475.00	465.75	472.25	-1.50
19-Dec	477.25	478.25	468.75	475.25	-1.50
20-Mar	481.75	483.00	475.00	480.75	-1.00
20-May	485.50	485.50	478.25	483.50	-0.75
20-Jul	487.50	488.25	481.50	486.25	-0.75
20-Sep	495.50	495.50	489.50	493.75	-1.00

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.