

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 24490.20) per tonne and \$435.96 (Rs 31127.54) 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 decreased by 4.38 percent to Rs. 2080.43 per quintal during the week ended 31st August 2019. Wheat average price were ruling at Rs 2175.77 per quintal during 16-23 August 2019. As compared to prices in the week 24-31 August 2018, the prices are firm by 3.94 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and likely increase in demand in domestic market.

Government has sold 336700 tonnes of wheat in OMSS until fourth tender in August'19. No rakes were sold. State government and bulk consumers bought 245850 tonnes and 90580 tonnes of wheat respectively. In the month of August'19 government has sold 152000 tonnes against offered quantity of 7819470 tonnes. 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, 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.

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

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), CerealconDolj (\$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 Contact: NCDEX Price							Date:30.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	2	2070	2070	2056	2062	370	150	10310	180
19-Oct	22	2110	2110	2095	2101	60	60	470	10
19-Nov	42	2098	2098	2098	2140	0	0	0	0

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	22		
19-Oct		39	
19-Nov			39

Stocks	Demat	In-Process	Total	EDD
	29.Aug.19	29.Aug.19	29.Aug.19	26.Aug.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33719	0	33719	33718
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 31.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-19	30-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2150	2150	Unch
	Narella	Mill Quality Loose	2040	2040	Unch
	Nazafgarh	Mill Quality Loose	2020	2025	-5
Gujarat	Rajkot	Mill Delivery	2080	Closed	-
	Ahmedabad	Mill Delivery	2165	Closed	-
	Surat	Mill Delivery	2250	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	2150	Closed	-
	Bhopal	Mill Quality Loose	2040	Closed	-
Rajasthan	Kota	Mill Quality Loose	1940	1940	Unch
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	2040	2040	Unch
	Mathura	Mill Quality Loose	1900	1930	-30
	Kosi	Mill Quality Loose	1960	1980	-20
	Hathras	Mill Quality Loose	1930	1920	10
	Aligarh	Mill Quality Loose	1950	1960	-10
Punjab	Khanna	Mill Quality Loose	1960	1950	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2020	2020	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	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Aug-19	30-Aug-19	
Gujarat	Rajkot	Lokwan	2150	Closed	-
M.P.	Indore	Lokwan	2500	Closed	-
	Bhopal	Lokwan	2200	Closed	-
	Bina	Sarbati 306	2500	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
			31-Aug-19	30-Aug-19	
Delhi	Lawrence Road	Mill Delivery	10000	10000	Unch
	Narella	Mill Quality Loose	300	250	50
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	6000	Closed	-
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	700	800	-100
	Mathura	Mill Quality Loose	400	300	100
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	350	60	290
	Aligarh	Mill Quality Loose	500	700	-200
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	400	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	500	Unch

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

Wheat Products Delhi	31-Aug-19	30-Aug-19	Change
Atta (50kg) Ordinary	1150	1150	Unch
Maida Grade 1 (50KG)	1335	1335	Unch
Suji (50kg)	1290	1290	Unch
Chokar (50 kg)	840	840	Unch
Chokar (34 kg)	571	571	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:30.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	467.50	467.50	450.00	451.25	-18.50
19-Dec	472.75	472.75	459.25	462.50	-10.25
20-Mar	477.50	477.75	467.00	470.00	-8.25
20-May	481.75	481.75	472.25	475.00	-6.00
20-Jul	484.50	486.00	476.75	479.50	-4.00
20-Sep	490.00	492.00	486.00	488.50	-3.00

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