

Wheat Domestic Fundamentals:

Wheat WPI has increased from 153.4 in July-2019 to 156.5 in August-2019. Monthly wheat inflation has increased by 2.02 percent in August-2019 compared to previous month. As compared to August-2018 wheat WPI has increased by around 5.32 percent. Wheat WPI is expected to stay steady to firm in coming month.

All India weekly average prices increased by 0.15 percent to Rs. 2129.75 per quintal during the week ended 15th September 2019. Wheat average price were ruling at Rs 2126.53 per quintal during 01-08 September 2019. As compared to prices in the week 09-15 September 2018, the prices are firm by 2.93 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.

As per market sources, wheat off-take in past weeks has increased. Government has sold 121400 tonnes of wheat through OMSS in first two tenders during September. During August, sales of wheat through OMSS was 152000 tonnes. Reserve price will be increased by Rs 55 per quintal to Rs 2190 per quintal for October-December'19. Sales are expected to witness an increasing trend in upcoming weeks due to lean season and festive demand. Traders are advised to buy on dip.

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 \$336.00 (Rs 23825.76) per tonne and \$435.96 (Rs 30913.92) 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 23500-2400 per tonne. Therefore, as of now, there is no parity for wheat imports.

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 August-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 latest update, Rajasthan government has sought to increase the ceiling limit for wheat under food security act. In view of the increase in population an additional 26000 tonnes of wheat is required. The existing ceiling is for 4.46 crores beneficiaries whereas the requirement is for 4.82 crores beneficiaries.

Wheat production in Punjab has remained on higher side in past years. However this high production may have led to over exploitation of ground water. Of the total 138 blocks in Punjab around 109 have been marked as over exploited in terms of underground water and the remaining are in safe zone. The number of tube wells have increased from 2.8 lakhs to 14.5 lakhs since 1980s. The rigid cropping pattern of wheat-paddy has also aggravated the problem.

As per latest update, demand for loose and unbranded wheat has reduced as consumers in urban as well as semi-urban areas are shifting to packed and branded wheat. Furthermore, easier availability of packed wheat and increase in income are also playing a vital role. Around 70 percent of millers are small/medium wheat mills and rest are large wheat millers. Therefore, small/medium millers are facing heat due to fall in demand as they are already operating on thin margins.

International Market Update:

Indonesian flour mills have bought two varieties (White and Red winter) of United States wheat. Flour millers bought 55000 tonnes. White wheat was purchased at \$255 per tonne Cost & Freight and red winter wheat was purchased at \$245 per tonne Cost & Freight. The said quantity will be delivered in October.

Russian milling wheat prices became weak by \$2 per tonne at Novorossiysk compared to last week. Export quotes are being influenced by ample availability in global market and low demand. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$182-185/tonne. Furthermore increase in Russian wheat crop forecast by 0.5 MMT to 74.90 MMT has also kept prices under pressure.

As per latest update, bumper crop of wheat is expected in France. Farm ministry is estimating the crop to be near 39.45 MMT. Export are expected to reach 11.0 MMT, highest since 2015-16. Good competition can be expected from France on FoB basis. However, freight rates will continue to play a crucial role.

As per latest update, Thailand Feed Mill Association has bought 70000 tonnes of feed wheat through tender. The wheat was bought at \$220.50 per tonne cost and freight for December delivery. Wheat can be sourced from optional origins.

Indonesian flour mills have bought two varieties (White and Red winter) of United States wheat. Flour millers bought 55000 tonnes. White wheat was purchased at \$255 per tonne Cost & Freight and red winter wheat was purchased at \$245 per tonne Cost & Freight. The said quantity will be delivered in October.

As per latest update, dry weather in Argentina has hit wheat crop amid expectations of bumper crop. Argentina is expecting to produce 21 MMT of wheat. If the current situation continues wheat crop production in Argentina may fall below expectations. Although ample availability in global market will ensure that there are no unexpected increase in prices.

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

Wheat Futures Contract: NCDEX Price							Date:18.09.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	0	2031	2031	2031	2031	0	0	10	0
19-Oct	-5	2051	2055	2051	2053	30	+10	2350	-10
19-Nov	-10	2085	2075	2075	2075	0	0	60	0

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	1		
19-Oct		22	
19-Nov			22

Stocks	Demat	In-Process	Total	EDD
	17.Sep.19	17.Sep.19	17.Sep.19	16.Sep.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	30232	0	30232	32450
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 18.09.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Sep-19	17-Sep-19	
Delhi	Lawrence Road	Mill Delivery	2145	2140	5
	Narella	Mill Quality Loose	Closed	2030	-
	Nazafgarh	Mill Quality Loose	Closed	2025	-
Gujarat	Rajkot	Mill Delivery	2110	2100	10
	Ahmedabad	Mill Delivery	2175	2180	-5
	Surat	Mill Delivery	2260	2250	10
	Dhrol	Mill Quality Loose	2100	NR	-
M.P.	Indore	Mill Delivery	2160	2160	Unch
	Bhopal	Mill Quality Loose	2060	2080	-20
Rajasthan	Kota	Mill Quality Loose	1950	1940	10
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	2015	2015	Unch
	Mathura	Mill Quality Loose	1890	1890	Unch
	Kosi	Mill Quality Loose	1960	1960	Unch
	Hathras	Mill Quality Loose	1890	1900	-10
	Aligarh	Mill Quality Loose	Closed	1920	-
Punjab	Khanna	Mill Quality Loose	1950	1950	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2000	2000	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2030	2030	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Sep-19	17-Sep-19	
Gujarat	Rajkot	Lokwan	2200	2175	25
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2225	-25
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	NA	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Sep-19	17-Sep-19	
Delhi	Lawrence Road	Mill Delivery	4000	5000	-1000
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	500	800	-300
	Dhrol	Mill Quality Loose	18	NR	-
M.P.	Indore	Mill Quality Loose	4000	4000	Unch
Rajasthan	Kota	Mill Quality	2500	2000	500
U.P.	Kanpur	Mill Quality Loose	500	700	-200
	Mathura	Mill Quality Loose	400	700	-300
	Kosi	Mill Quality Loose	250	250	Unch
	Hathras	Mill Quality Loose	150	200	-50
	Aligarh	Mill Quality Loose	Closed	400	-
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	10	25	-15
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	18-Sep-19	17-Sep-19	Change
Atta (50kg) Ordinary	1155	1155	Unch
Maida Grade 1 (50KG)	1333	1333	Unch
Suji (50kg)	1285	1285	Unch
Chokar (50 kg)	850	850	Unch
Chokar (34 kg)	578	578	Unch
Chakki Atta (50kg)	1305	1305	Unch
Chakki Atta (50kg) Special	1330	1330	Unch
Chakki Atta (90kg) Superfine	2412	2412	Unch
Chakki Atta (50kg) Superfine	1340	1340	Unch

Wheat (CBOT) Future Price: 17.09.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	487.75	487.75	480.75	484.25	-4.50
20-Mar	494.25	494.25	487.75	490.75	-4.50
20-May	498.75	498.75	492.25	495.25	-4.50
20-Jul	501.50	501.50	496.00	498.75	-4.25
20-Sep	508.50	508.50	503.50	506.50	-3.75
20-Dec	520.75	520.75	516.00	519.00	-3.75

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.