

Wheat Domestic Fundamentals:

As per trade source, India has exported around 17.02 thousand tonnes in the month of August-2019. The quantity in August-2019 was exported at an average FOB of \$ 314.51 per tonne and the major destinations were Nepal, Somalia, Sri Lanka and Reunion. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per market sources, wheat stock in central pool as on 1st September'19 stood at 414.90 lakh tonnes down by 4.81% compared to last month. This quantity is higher by around 7.74% 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.

Indian Agricultural Research Institute (IARI) has introduced another variety for upcoming Rabi season known as HD-3226, which is likely to have a weighted average yield of 5.75 tonnes per hectare. The variety is likely to have more protein as well as gluten content compared to HD-2967 and HD-3086. The combined acreage of HD-2967 and HD-3086 is roughly 40 percent of India's total wheat acreage.

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.

International Market Update:

As per latest update Russia as well as Ukraine is looking for rains in upcoming weeks due to lack of moisture in Russia and dry weather in Ukraine. Russia's main wheat producing region Krasnodar, Stavropol and Rostov have low soil moisture. However if rains arrive on time, sowing conditions are expected to remain normal or satisfactory.

GASC (General Authority for Supply Commodities) has purchased 180000 tonnes of Russian wheat through tender. Solaris offered 60000 tonnes of Russian wheat at FoB \$194.13 per tonne, Grain Export offered 60000 tonnes of Russian wheat at FoB \$194.50 per tonne and Solaris offered 60000 tonnes of Russian wheat at FoB \$194.60 per tonne. Egypt is the largest importer of wheat and imports around 12 MMT of wheat every year.

Algeria state grains agency OAIC has bought around 600000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid was around \$211.00-213.00 per tonne (Cost and Freight). Most of the quantity is expected to be sourced from France and Baltic Sea Region. Algeria does not disclose the results of its tenders and purchase reports are based on trade assessments.

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, 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.

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

Wheat Futures Contract: NCDEX Price							Date:21.09.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	-8	2029	2029	2029	2021	0	0	0	0
19-Oct	8	2064	2072	2070	2072	30	0	2340	-20
19-Nov	2	2099	2102	2099	2101	20	-40	70	70

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	-29		
19-Oct		51	
19-Nov			29

Stocks	Demat	In-Process	Total	EDD
	20.Sep.19	20.Sep.19	20.Sep.19	16.Sep.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	29724	0	29724	32450
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 21.09.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Sep-19	20-Sep-19	
Delhi	Lawrence Road	Mill Delivery	2155	2150	5
	Narella	Mill Quality Loose	2050	2040	10
	Nazafgarh	Mill Quality Loose	2060	2025	35
Gujarat	Rajkot	Mill Delivery	2100	2100	Unch
	Ahmedabad	Mill Delivery	2175	2175	Unch
	Surat	Mill Delivery	2250	2250	Unch
	Dhrol	Mill Quality Loose	2110	2215	-105
M.P.	Indore	Mill Delivery	2160	2160	Unch
	Bhopal	Mill Quality Loose	2050	2050	Unch
Rajasthan	Kota	Mill Quality Loose	1935	1940	-5
		Mill Delivery	2050	2060	-10
U.P.	Kanpur	Mill Delivery	2030	2030	Unch
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	1960	1960	Unch
	Hathras	Mill Quality Loose	NA	1900	-
	Aligarh	Mill Quality Loose	1920	1930	-10
Punjab	Khanna	Mill Quality Loose	1930	1930	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	2375	2400	-25
	Madurai	Mill Quality	2432	2457	-25
	Coimbatore	Mill Quality	2432	2457	-25
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
			21-Sep-19	20-Sep-19	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	1980	1980	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Sep-19	20-Sep-19	
Delhi	Lawrence Road	Mill Delivery	5000	7500	-2500
	Narella	Mill Quality Loose	150	200	-50
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	600	450	150
	Dhrol	Mill Quality Loose	16	44	-28
M.P.	Indore	Mill Quality Loose	2500	5000	-2500
Rajasthan	Kota	Mill Quality	2500	5000	-2500
U.P.	Kanpur	Mill Quality Loose	800	700	100
	Mathura	Mill Quality Loose	600	1000	-400
	Kosi	Mill Quality Loose	300	250	50
	Hathras	Mill Quality Loose	NA	300	-
	Aligarh	Mill Quality Loose	400	400	Unch
Punjab	Khanna	Mill Quality Loose	400	300	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	21-Sep-19	20-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: 20.09.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	486.50	491.25	483.50	484.25	-3.75
20-Mar	493.25	497.25	490.25	491.00	-3.25
20-May	497.75	501.00	495.25	495.75	-3.00
20-Jul	501.50	504.25	498.75	499.75	-2.50
20-Sep	508.25	511.50	506.25	507.25	-2.50
20-Dec	520.50	523.75	519.00	520.00	-2.00

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