

Wheat Domestic Fundamentals:

Government has sold 513100 tonnes of wheat in OMSS until third tender in September'19. No rakes were sold. State government and bulk consumers bought 201550 tonnes and 311550 tonnes of wheat respectively. In the month of September'19 government has sold 176400 tonnes in three tenders against offered quantity of 5798523 tonnes. For second, third and fourth quarter reserve price will be Rs 2135 per quintal, Rs 2190 per quintal and Rs 2245 per quintal respectively. Stock with millers/traders has diminished and sales through OMSS is likely to witness an increasing trend in upcoming weeks.

All India weekly average prices decreased by 0.18 percent to Rs. 2125.93 per quintal during the week ended 23rd September 2019. Wheat average price were ruling at Rs2129.75 per quintal during 09-15 September 2019. As compared to prices in the week 16-23 September 2018, the prices are firm by 4.70 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 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.

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:

IGC has kept wheat production forecast unchanged at 764 MMT for 2019-20. However, carryover stocks have increased to a decade high at 272 MMT. Milling and feed wheat are expected to be available in abundant quality however high quality wheat is under close watch due to unfavorable weather conditions.

European union wheat prices have reached a six week high due to weakness in euro and continuous import tenders. December milling wheat on the Paris-based Euronext exchange was up 2.25 euros, or 1.3%, at 173.00 euros (\$189.16) a tonne.

As per latest update, Japan's ministry of agriculture bought 122346 MT of food quality wheat from United States and Canada. Around 56111 MT has been bought from United States and 66235 tonnes from Canada. Japan is the world's sixth largest importer in the world. The quantity is expected to be loaded between 21st October-20th November.

Syria has cancelled a tender to barter 100000 tonnes of durum wheat for same quantity of soft wheat from Russia. No agreement was reached and the tender was called off. Syria's wheat production has suffered due to conflict since 2011.

Black sea milling wheat prices became firm by \$1-2 per tonne at Novorossiysk and \$3 per tonne at Odessa port compared to last week. Strong currency and increase in foreign demand supported the prices. As of now Russian milling wheat with 12.5% protein content at Novorossiysk and Odessa port are being quoted at FoB \$185-189/tonne and FoB \$184-188/tonne

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

Wheat Futures Contract: NCDEX Price							Date:27.09.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Oct	+2	2080	2090	2075	2082	160	+130	2320	+10
19-Nov	+10	2100	2110	2110	2110	10	0	80	+10
19-Dec	0	2120	2120	2120	2120	0	0	0	0

Spread	Oct-19	Nov-19	Dec-19
Spot Narella			
19-Oct	22		
19-Nov		28	
19-Dec			10

Stocks	Demat	In-Process	Total	EDD
	26.Sep.19	26.Sep.19	26.Sep.19	23.Sep.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	27236	0	27236	29723
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 27.09.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Sep-19	26-Sep-19	
Delhi	Lawrence Road	Mill Delivery	2190	2185	5
	Narella	Mill Quality Loose	2060	2060	Unch
	Nazafgarh	Mill Quality Loose	2065	2050	15
Gujarat	Rajkot	Mill Delivery	2075	2080	-5
	Ahmedabad	Mill Delivery	2160	2165	-5
	Surat	Mill Delivery	2240	2240	Unch
	Dhrol	Mill Quality Loose	2075	2175	-100
M.P.	Indore	Mill Delivery	2220	2210	10
	Bhopal	Mill Quality Loose	2020	2000	20
Rajasthan	Kota	Mill Quality Loose	1930	1940	-10
		Mill Delivery	2065	2050	15
U.P.	Kanpur	Mill Delivery	2015	2020	-5
	Mathura	Mill Quality Loose	1950	1950	Unch
	Kosi	Mill Quality Loose	1980	1980	Unch
	Hathras	Mill Quality Loose	1900	1900	Unch
	Aligarh	Mill Quality Loose	1980	1960	20
Punjab	Khanna	Mill Quality Loose	1950	1950	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2010	2010	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	2375	Unch
	Madurai	Mill Quality	2432	2432	Unch
	Coimbatore	Mill Quality	2432	2432	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	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
			27-Sep-19	26-Sep-19	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2350	50
	Bhopal	Lokwan	2175	2150	25
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2160	2200	-40
	Baran	Lokwan	2000	1990	10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Sep-19	26-Sep-19	
Delhi	Lawrence Road	Mill Delivery	7000	10000	-3000
	Narella	Mill Quality Loose	150	200	-50
	Nazafgarh	Mill Quality Loose	150	40	110
Gujarat	Rajkot	Mill Quality Loose	450	400	50
	Dhrol	Mill Quality Loose	23	13	10
M.P.	Indore	Mill Quality Loose	700	2000	-1300
Rajasthan	Kota	Mill Quality	4000	2000	2000
U.P.	Kanpur	Mill Quality Loose	700	800	-100
	Mathura	Mill Quality Loose	190	400	-210
	Kosi	Mill Quality Loose	280	300	-20
	Hathras	Mill Quality Loose	50	150	-100
	Aligarh	Mill Quality Loose	250	300	-50
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	300	100
	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	27-Sep-19	26-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: 26.09.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	477.00	486.75	476.75	484.25	7.00
20-Mar	483.25	492.50	483.00	490.25	6.50
20-May	488.75	496.25	488.75	494.25	5.50
20-Jul	492.75	500.25	492.75	498.50	5.50
20-Sep	503.50	508.25	503.25	506.50	5.00
20-Dec	518.25	521.00	515.75	519.25	4.25

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