

**Wheat Domestic Fundamentals:**

**All India weekly average prices increased by 3.08 percent to Rs. 2191.38 per quintal during the week ended 30th September 2019.** Wheat average price were ruling at Rs 2125.93 per quintal during 16-23 September 2019. As compared to prices in the week 24-30 September 2018, the prices are firm by 9.68 percent. Prices are expected to remain steady to firm in coming days due to no import parity and likely increase in demand in domestic market.

**As per latest update, Madhya Pradesh is focusing on Malwa-nimar region to make up for losses suffered in kharif season by increasing rabi acreage.** Wheat acreage in 2019 was 60 lakh hectares and it is likely to cross 63 lakh hectares in 2020. Given good soil moisture and abundant availability of water in reservoir a bumper crop can be expected under normal conditions.

**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 \$341.60 (Rs 24099.88) per tonne and \$468.50 (Rs 33052.39) 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 23750-24350 per tonne. Therefore, as of now, there is no parity for wheat imports.

**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.

**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 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:01.10.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Oct	+14	2081	2095	2081	2095	130	+60	2180	-140
19-Nov	0	2110	2110	2110	2110	100	+90	180	+100
19-Dec	0	2139	2139	2139	2139	0	0	0	0

Spread	Oct-19	Nov-19	Dec-19
Spot Narella			
19-Oct	5		
19-Nov		15	
19-Dec			29

Stocks	Demat	In-Process	Total	EDD
	30.Sep.19	30.Sep.19	30.Sep.19	30.Sep.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	27236	0	27236	27236
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 01.10.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			01-Oct-19	30-Sep-19	
Delhi	Lawrence Road	Mill Delivery	2210	2200	10
	Narella	Mill Quality Loose	2090	2100	-10
	Nazafgarh	Mill Quality Loose	2125	2100	25
Gujarat	Rajkot	Mill Delivery	2075	2075	Unch
	Ahmedabad	Mill Delivery	2160	2160	Unch
	Surat	Mill Delivery	2240	2240	Unch
	Dhrol	Mill Quality Loose	2275	NR	-
M.P.	Indore	Mill Delivery	2220	2220	Unch
	Bhopal	Mill Quality Loose	2040	2010	30
Rajasthan	Kota	Mill Quality Loose	1915	1925	-10
		Mill Delivery	2060	2075	-15
U.P.	Kanpur	Mill Delivery	2030	2070	-40
	Mathura	Mill Quality Loose	1980	1930	50
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	1980	NR	-
	Aligarh	Mill Quality Loose	1990	2000	-10
Punjab	Khanna	Mill Quality Loose	1950	1960	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2020	2010	10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2100	2100	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2375	25
	Madurai	Mill Quality	2457	2432	25
	Coimbatore	Mill Quality	2457	2432	25
Bihar	Khagariya	Mill Delivery	2050	2100	-50
	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
			01-Oct-19	30-Sep-19	
Gujarat	Rajkot	Lokwan	2125	2125	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2080	70
	Baran	Lokwan	1980	1980	Unch

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			01-Oct-19	30-Sep-19	
Delhi	Lawrence Road	Mill Delivery	6500	6500	Unch
	Narella	Mill Quality Loose	300	200	100
	Nazafgarh	Mill Quality Loose	150	150	Unch
Gujarat	Rajkot	Mill Quality Loose	450	400	50
	Dhrol	Mill Quality Loose	17	NR	-
M.P.	Indore	Mill Quality Loose	500	500	Unch
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	160	300	-140
	Kosi	Mill Quality Loose	250	250	Unch
	Hathras	Mill Quality Loose	1300	NR	-
	Aligarh	Mill Quality Loose	500	600	-100
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	300	300	Unch

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

Wheat Products Delhi	01-Oct-19	30-Sep-19	Change
Atta (50kg) Ordinary	1190	1190	Unch
Maida Grade 1 (50KG)	1365	1365	Unch
Suji (50kg)	1330	1330	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	648	648	Unch
Chakki Atta (50kg)	1350	1350	Unch
Chakki Atta (50kg) Special	1375	1375	Unch
Chakki Atta (90kg) Superfine	2493	2493	Unch
Chakki Atta (50kg) Superfine	1385	1385	Unch

Wheat (CBOT) Future Price: 30.10.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	488.00	501.00	483.25	495.75	8.50
20-Mar	495.00	507.00	490.25	502.50	8.75
20-May	498.25	511.00	494.75	507.25	8.75
20-Jul	503.25	514.50	498.50	510.75	8.50
20-Sep	511.00	521.00	506.00	518.00	8.00
20-Dec	524.75	532.75	518.50	529.75	6.75

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