

**Wheat Domestic Fundamentals:**

**Wheat WPI has increased from 156.5 in August -2019 to 158.3 in September-2019.** Monthly wheat inflation has increased by 1.15 percent in September-2019 compared to previous month. As compared to September -2018 wheat WPI has increased by around 5.67 percent. Wheat WPI is expected to stay steady to firm in coming month.

**All India weekly average prices increased by 0.42 percent to Rs. 2135.90 per quintal during the week ended 14th October 2019.** Wheat average price were ruling at Rs 2127.05 per quintal during 01-08 October 2019. As compared to prices in the week 09-15 October 2018, the prices are firm by 5.99 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.

**Farmers in Punjab's flood affected area are likely to get free wheat seed.** The state government will provide high quality wheat seeds to farmers in flood hit districts such as Moga, Jalandhar, Kapurthala, Fazilka, etc. The flood affected 30000 hectares of land therefore, around 30000 quintal of seed will be provided. Although flood adversely affected the crop, it has increased soil moisture for upcoming rabi crops.

**Supply side for FAQ is likely to be good as ample stock is available in domestic market due to three consecutive good production years.** Government has procured 34.1 MMT in MY 2019-20 lower by 1.6 MMT compared to MY 2018-19. Demand from south Indian millers is good after application of 40% import duty. No import parity has also increased demand for domestic wheat.

**The agriculture ministry has proposed to increase Minimum support price (MSP) of wheat from current Rs 1840 per quintal to Rs 1925 per quintal.** The proposal is still under consideration. The increase in MSP is likely to boost sowing of wheat.

**Monsoon rainfall in India was above average by 10% in 2019. Furthermore, extra rains in June-September will also help in providing adequate soil moisture for winter crops, thereby boosting yields.** Under normal conditions another good harvest of wheat may be on the cards in upcoming Rabi season.

**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 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, Japan's ministry of agriculture bought 114012 MT of food quality wheat from United States and Canada.** Around 60052 MT has been bought from United States and 53960 tonnes from Canada. Japan is the world's sixth largest importer in the world. The quantity is expected to be loaded between 21st November-20th December.

**GASC has purchased 295000 tonnes of Ukrainian and Russian wheat through tender.** Of the total quantity 115000 tonnes has been sourced from Ukraine and 180000 tonnes has been sourced from Russia. Grain export offered 60000 tonnes of Russian wheat at FoB \$204.72 per tonne, Grain export offered 60000 tonnes of Russian wheat at FoB \$205.15 per tonne, Hakkan offered 55000 tonnes of Ukrainian wheat at FoB \$201.60 per tonne, Posco offered 60000 tonnes of Russian wheat at FoB \$206.50 per tonne and Louis Dreyfus export offered 60000 tonnes of Ukrainian wheat at FoB \$206.67 per tonne

**Black sea milling wheat prices became firm by \$6-7 per tonne at Novorossiysk and \$6 per tonne at Odessa port compared to last week.** Increase in global demand and farmer's policy to hold on to grains supported the prices. As of now Russian milling wheat with 12.5% protein content at Novorossiysk and Odessa port are being quoted at FoB \$191-196/tonne and FoB \$190-194/tonne.

**South Korea's largest animal feed maker has bought, NOFI, has bought around 60000 tonnes of feed wheat at \$225.87 C&F.** The quantity is expected to arrive around 20th Jan-2020. The seller is expected to be trading house glencore.

**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.

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

Wheat Futures Contact: NCDEX Price							Date: 15.10.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Vol.	Ch. From previous day	OI	Ch. From previous day
19-Oct	0	2074	2074	2074	2074	50	-20	180	-710
19-Nov	9	2125	2125	2125	2125	10	0	1280	10
19-Dec	0	-	-	-	-	0	0	0	0

Spread	Oct-19	Nov-19	Dec-19
Spot Narella			
19-Oct	-7		
19-Nov		23	
19-Dec			43

Stocks	Demat	In-Process	Total	EDD
	14.Oct.19	14.Oct.19	14.Oct.19	14.Oct.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13577	0	13577	13576
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 15.10.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Oct-19	14-Oct-19	
Delhi	Lawrence Road	Mill Delivery	2210	2215	-5
	Narella	Mill Quality Loose	2115	2100	15
	Nazafgarh	Mill Quality Loose	2125	2125	Unch
Gujarat	Rajkot	Mill Delivery	2165	2130	35
	Ahmedabad	Mill Delivery	2250	2180	70
	Surat	Mill Delivery	2300	2260	40
	Dhrol	Mill Quality Loose	NR	2250	-
M.P.	Indore	Mill Delivery	2130	2130	Unch
	Bhopal	Mill Quality Loose	2060	2060	Unch
Rajasthan	Kota	Mill Quality Loose	2010	2010	Unch
		Mill Delivery	2160	2130	30
U.P.	Kanpur	Mill Delivery	2080	2090	-10
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	1980	2000	-20
	Hathras	Mill Quality Loose	1960	1960	Unch
	Aligarh	Mill Quality Loose	1980	1980	Unch
Punjab	Khanna	Mill Quality Loose	1960	1975	-15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2060	2050	10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2125	2150	<b>-25</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2325	2325	<b>Unch</b>
	Madurai	Mill Quality	2382	2382	<b>Unch</b>
	Coimbatore	Mill Quality	2382	2382	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	2100	2100	<b>Unch</b>
	Muzaffarpur	Mill Delivery	2015	2015	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Oct-19	14-Oct-19	
<b>Gujarat</b>	Rajkot	Lokwan	2250	2150	<b>100</b>
<b>M.P.</b>	Indore	Lokwan	2300	2300	<b>Unch</b>
	Bhopal	Lokwan	2225	2225	<b>Unch</b>
	Bina	Sarbati 306	2500	2500	<b>Unch</b>
<b>Rajasthan</b>	Kota	Lokwan Bilty	2215	2200	<b>15</b>
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Oct-19	14-Oct-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	6500	8000	<b>-1500</b>
	Narella	Mill Quality Loose	250	300	<b>-50</b>
	Nazafgarh	Mill Quality Loose	120	150	<b>-30</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1000	400	<b>600</b>
	Dhrol	Mill Quality Loose	NR	27	-
<b>M.P.</b>	Indore	Mill Quality Loose	8000	3000	<b>5000</b>
<b>Rajasthan</b>	Kota	Mill Quality	5000	5000	<b>Unch</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	1200	1200	<b>Unch</b>
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	250	250	<b>Unch</b>
	Hathras	Mill Quality Loose	200	200	<b>Unch</b>
	Aligarh	Mill Quality Loose	700	700	<b>Unch</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	600	500	<b>100</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	300	<b>-100</b>
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	400	700	<b>-300</b>

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

Wheat Products Delhi	15-Oct-19	14-Oct-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: 14.10.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	513.00	515.00	506.75	511.00	3.00
20-Mar	518.50	520.50	512.75	516.75	2.75
20-May	523.00	524.75	517.25	521.25	2.75
20-Jul	526.50	528.00	520.50	524.50	2.25
20-Sep	533.00	534.50	527.75	531.00	1.75
20-Dec	543.50	546.25	538.50	542.75	1.75

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.