

Wheat Domestic Fundamentals:

As per trade source, India has exported around 10.64 thousand tonnes in the month of September-2019. The quantity in September-2019 was exported at an average FOB of \$ 373.12 per tonne and the major destinations were Nepal, Jordan, UAE and Somalia. 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 October'19 stood at 393.16 lakh tonnes down by 5.24% compared to last month. This quantity is higher by around 10.36% 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.

As per trade sources, India has imported 588.41 tonnes of Australian wheat during the month of September'19. The wheat has been imported in two lots. The first lot is for 484.74 MT at \$507.50 per tonne and the second lot is for 103.67 MT at \$406.49 per tonne. Both the prices are inclusive of import duty @ 40%. It can be seen that there is no import parity as mill quality and lokwan wheat in south India are being offered around Rs 2400 per quintal and Rs 2600 per quintal respectively. Therefore, the imported wheat is solely for the purpose of mixing to improve the overall quality of wheat.

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.

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 Contract: NCDEX Price							Date:18.10.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Nov	+25	2130	2170	2130	2170	50	-50	1360	+30
19-Dec	0	2165	2165	2165	2165	0	0	0	0
20-Jan	0	2214	2214	2214	2214	0	0	0	0

Spread	Nov-19	Dec-19	Jan-20
Spot Narella			
19-Nov	70		
19-Dec		-5	
20-Jan			49

Stocks	Demat	In-Process	Total	EDD
	18.Oct.19	18.Oct.19	18.Oct.19	14.Oct.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12367	0	12367	13576
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 19.10.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Oct-19	18-Oct-19	
Delhi	Lawrence Road	Mill Delivery	2230	2230	Unch
	Narella	Mill Quality Loose	2100	2130	-30
	Nazafgarh	Mill Quality Loose	2100	2100	Unch
Gujarat	Rajkot	Mill Delivery	2160	2150	10
	Ahmedabad	Mill Delivery	2240	2240	Unch
	Surat	Mill Delivery	2320	2310	10
	Dhrol	Mill Quality Loose	2250	2305	-55
M.P.	Indore	Mill Delivery	2220	2220	Unch
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	2025	2025	Unch
		Mill Delivery	2150	2150	Unch
U.P.	Kanpur	Mill Delivery	2080	2090	-10
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	1960	1960	Unch
	Aligarh	Mill Quality Loose	1980	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2070	2070	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2150	2130	20
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2325	2325	Unch
	Madurai	Mill Quality	2382	2382	Unch
	Coimbatore	Mill Quality	2382	2382	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2025	2030	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Oct-19	18-Oct-19	
Gujarat	Rajkot	Lokwan	2225	2200	25
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2300	2225	75
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2225	2225	Unch
	Baran	Lokwan	Closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Oct-19	18-Oct-19	
Delhi	Lawrence Road	Mill Delivery	8500	7000	1500
	Narella	Mill Quality Loose	150	300	-150
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	650	600	50
	Dhrol	Mill Quality Loose	22	23	-1
M.P.	Indore	Mill Quality Loose	4000	5000	-1000
Rajasthan	Kota	Mill Quality	3500	5000	-1500
U.P.	Kanpur	Mill Quality Loose	800	900	-100
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	250	-50
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	450	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(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	600	800	-200

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

Wheat Products Delhi	19-Oct-19	18-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: 18.10.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	526.00	532.75	521.00	532.25	6.75
20-Mar	530.50	537.25	525.75	537.00	6.75
20-May	534.00	541.50	529.75	541.50	7.50
20-Jul	536.25	544.00	532.00	544.00	8.00
20-Sep	541.75	550.00	538.25	549.75	8.25
20-Dec	550.00	560.00	548.50	559.75	8.75

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