

**Wheat Domestic Fundamentals:**

**India has raised MSP by Rs 85 per quintal to Rs 1925 per quintal for MY 2020-21. The hike in MSP is lowest in last three years.** Even though this increase is lower it has still widened the gap between domestic and international prices. India wheat FoB at Kandla is ruling around \$312 per tonne compared to \$203.5 per tonne for Russian wheat with 11.5 percent protein content.

**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 \$371.00 (Rs 25988.55) per tonne and \$460.88 (Rs 32284.64) 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.

**All India weekly average prices increased by 2.37 percent to Rs. 2186.54 per quintal during the week ended 23rd October 2019.** Wheat average price were ruling at Rs 2135.90 per quintal during 09-15 October 2019. As compared to prices in the week 16-23 October 2018, the prices are firm by 8.35 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.

**Wheat MSP for rabi marketing season 2020-21 has been increased by Rs 85 per quintal to Rs 1925 per quintal.** The government further said that the increase in MSP is at least 1.5 times of all India weighted average cost of production. This move will motivate farmers to increase sowing of wheat.

**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.

**International Market Update:**

**GASC has purchased 60000 tonnes of French wheat in a tender.** The said quantity was purchased at \$ 214.86 per tonne. The seller was trading house Glencore. The wheat will be shipped during 05-15 December. In its last tender on 16th October GASC purchased 405000 tonnes of wheat.

**Black sea milling wheat prices became firm by \$5-7 per tonne at Novorossiysk and \$6-7 per tonne at Odessa port compared to last week. Strong demand and weak supply by farmers supported the prices.** As of now Russian milling wheat with 12.5% protein content at Novorossiysk and Odessa port are being quoted at FoB \$207-210/tonne and FoB \$205-209/tonne.

**As per latest update, Phillipines has bought 165000 tonnes of feed wheat through tender.** The said quantity will be delivered between December'19-February'20. The price range for feed wheat was \$253-255 per tonne C&F. The seller was trading house CBH and the wheat is likely to be sourced from Australia.

**The Saudi Arabia Grain Organization has purchased 605000 tonnes wheat through tender.** The wheat was bought at an average price of C&F \$242.51 per tonne. The said quantity will arrive at three different ports. Around 370000 tonnes will arrive at Jeddah port, 180000 tonnes at Dammam and the remaining 55000 tonnes at Jizan port. The wheat is expected to arrive in Saudi Arabia during February-March 2020. The seller has the option of selecting origin.

**As per the National Australia Bank, wheat output is likely to be around 15.5 MMT well below the market expectation of 19.0 MMT due to third consecutive year of drought.** "It is mainly due to heat, dry weather and frost," said Phin Ziebell, agribusiness economist at NAB.

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

Wheat Futures Contract: NCDEX Price							Date:31.10.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Nov	0	2150	2150	2150	2150	130	0	1570	0
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	50		
19-Dec		15	
20-Jan			49

Stocks	Demat	In-Process	Total	EDD
	30.Oct.19	30.Oct.19	30.Oct.19	28.Oct.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12008	0	12008	12217
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 31.10.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Oct-19	30-Oct-19	
Delhi	Lawrence Road	Mill Delivery	2235	2225	10
	Narella	Mill Quality Loose	2100	Closed	-
	Nazafgarh	Mill Quality Loose	2080	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	2230	2230	Unch
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	1980	2025	-45
		Mill Delivery	2160	2150	10
U.P.	Kanpur	Mill Delivery	2060	2060	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2010	2000	10
	Hathras	Mill Quality Loose	1965	1965	Unch
	Aligarh	Mill Quality Loose	1950	Closed	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2080	2080	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2170	2170	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2025	2025	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Oct-19	30-Oct-19	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2400	2500	-100
	Bhopal	Lokwan	2350	2300	50
	Bina	Sarbati 306	2700	Closed	-
Rajasthan	Kota	Lokwan Bilty	2260	2200	60
	Baran	Lokwan	NA	NA	-

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Oct-19	30-Oct-19	
Delhi	Lawrence Road	Mill Delivery	6500	3500	3000
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	5000	3000	2000
Rajasthan	Kota	Mill Quality	3000	2000	1000
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	250	-50
	Hathras	Mill Quality Loose	400	100	300
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	300	200
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	300	200	100

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

Wheat Products Delhi	31-Oct-19	30-Oct-19	Change
Atta (50kg) Ordinary	1200	1190	10
Maida Grade 1 (50KG)	1400	1365	35
Suji (50kg)	1335	1330	5
Chokar (50 kg)	932	925	7
Chokar (34 kg)	634	648	-14
Chakki Atta (50kg)	1362	1350	12
Chakki Atta (50kg) Special	1387	1375	12
Chakki Atta (90kg) Superfine	2511	2493	18
Chakki Atta (50kg) Superfine	1395	1385	10

Wheat (CBOT) Future Price: 30.10.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	511.25	514.00	507.00	509.25	-2.25
20-Mar	517.25	519.25	512.75	515.00	-2.50
20-May	522.25	523.25	517.75	519.75	-2.75
20-Jul	526.75	528.75	522.25	524.50	-2.75
20-Sep	534.50	534.50	530.25	532.00	-2.75
20-Dec	546.75	546.75	542.25	543.25	-3.50

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.