

**Wheat Domestic Fundamentals:**

**Wheat stock in central pool is 393.16 lakh tonnes higher by 36.91 lakh tonnes compared to last year for the same month.** Stock disposal still remains a problem as Indian wheat is not competitive in international market due to higher prices and domestic demand is limited. Furthermore, India is expected to see another good year of production due to good soil moisture and higher acreage.

**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 \$372.40 (Rs 26343.58) per tonne and \$453.26 (Rs 32063.89) 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 24500-25000 per tonne. Therefore, as of now, there is no parity for wheat imports.

**India has received 109.70 mm of actual rainfall against 76.00 mm of normal rainfall during 01st to 31st October-2019.** Deficient rainfall has been recorded in Jammu and Kashmir, Himachal Pradesh, Haryana, Chandigarh, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh and Delhi. During the same period last in 2018, India received 35.60 mm of actual rainfall. India's cumulative rainfall during 01st -30th October was 106.50 mm, which is above 42% of the LPA. Uttar Pradesh and Haryana, two main wheat producing states witnessed low rainfall during October. However, soil moisture is still good and farmers are likely to sow more wheat this year.

**All India weekly average prices decreased by 1.96 percent to Rs. 2143.68 per quintal during the week ended 31st October 2019.** Wheat average price were ruling at Rs 2186.54 per quintal during 16-23 October 2019. As compared to prices in the week 24-31 October 2018, the prices are firm by 4.69 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.

**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.

**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.

**International Market Update:**

**Argentina wheat harvest for 2019-20 is expected to be 18.8 MMT compared to 19.8 MMT in previous forecast.** Unfavorable weather conditions such as alternating temperatures with frequent frost has negatively impacted the crop. Argentina wheat is expected to be more competitive in global market. However, if current conditions continue the scenario may change.

**Black sea milling wheat prices became firm by \$1 per tonne at Novorossiysk and \$0-1 per tonne at Odessa port compared to last week.** Lower wheat production forecast from Argentina has increased demand for Black sea wheat. However black sea wheat prices are already trading at a premium. As of now Russian milling wheat with 12.5% protein content at Novorossiysk and Odessa port are being quoted at FoB \$208-211/tonne and FoB \$205-210/tonne.

**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.

**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.

**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:04.11.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Nov	+17	2140	2155	2140	2148	270	+200	1820	+200
19-Dec	+7	2131	2138	2138	2138	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	-12		
19-Dec		-10	
20-Jan			76

Stocks	Demat	In-Process	Total	EDD
	02.Nov.19	02.Nov.19	02.Nov.19	28.Oct.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12008	0	12008	12217
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 04.11.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Nov-19	02-Nov-19	
Delhi	Lawrence Road	Mill Delivery	2260	2250	10
	Narella	Mill Quality Loose	2160	2160	Unch
	Nazafgarh	Mill Quality Loose	2110	2110	Unch
Gujarat	Rajkot	Mill Delivery	2220	2200	20
	Ahmedabad	Mill Delivery	2275	2280	-5
	Surat	Mill Delivery	2235	2230	5
	Dhrol	Mill Quality Loose	2240	2210	30
M.P.	Indore	Mill Delivery	2250	2230	20
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	1995	2000	-5
		Mill Delivery	2160	2150	10
U.P.	Kanpur	Mill Delivery	2050	2080	-30
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2020	2000	20
	Hathras	Mill Quality Loose	NA	1960	-
	Aligarh	Mill Quality Loose	1950	1950	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2090	2080	10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2100	2170	-70
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2450	2450	Unch
	Madurai	Mill Quality	2507	2507	Unch
	Coimbatore	Mill Quality	2507	2507	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2025	Closed	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Nov-19	02-Nov-19	
Gujarat	Rajkot	Lokwan	2250	2250	Unch
M.P.	Indore	Lokwan	2500	2400	100
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	2550	2700	-150
Rajasthan	Kota	Lokwan Bilty	2250	2250	Unch
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Nov-19	02-Nov-19	
Delhi	Lawrence Road	Mill Delivery	11000	8500	2500
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	600	600	Unch
	Dhrol	Mill Quality Loose	32	21	11
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	NA	150	-
	Aligarh	Mill Quality Loose	425	500	-75
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(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	600	400	200

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

Wheat Products Delhi	04-Nov-19	02-Nov-19	Change
Atta (50kg) Ordinary	1200	1200	Unch
Maida Grade 1 (50KG)	1400	1400	Unch
Suji (50kg)	1335	1335	Unch
Chokar (50 kg)	932	932	Unch
Chokar (34 kg)	634	634	Unch
Chakki Atta (50kg)	1362	1362	Unch
Chakki Atta (50kg) Special	1387	1387	Unch
Chakki Atta (90kg) Superfine	2511	2511	Unch
Chakki Atta (50kg) Superfine	1395	1395	Unch

Wheat (CBOT) Future Price: 01.11.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	508.75	516.50	506.75	516.00	7.25
20-Mar	514.50	522.50	512.75	521.75	7.00
20-May	518.75	527.00	517.25	526.50	7.25
20-Jul	523.25	531.25	521.00	531.00	7.75
20-Sep	527.75	537.75	527.75	537.75	7.75
20-Dec	539.00	548.50	539.00	548.50	7.75

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