

Wheat Domestic Fundamentals:

Madhya Pradesh government is encouraging farmers to cultivate cashew rather than regular crop like wheat. The state has witnessed heavy rains as well as dry conditions which has impacted crops. Government is promoting cash crops among farmers by waiving loans, providing electricity at half price, subsidizing farm equipment's, etc. All this has made a positive effect and some farmers have shifted to cashew farming.

The agriculture department of Punjab has advised farmers to sow only varieties that are recommended by Punjab agriculture university (PAU). HD 2967, HD 3086, PBW 343, PBW 550, PBW 725, PBW 677, WH 1105, PBW 621 and WHD 943 are among the PAU recommended varieties. Late sown varieties include PBW 658 and PBW 590. The above mentioned varieties are likely to give better yields. Therefore, under normal conditions a good harvest can be expected in Punjab.

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.

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.

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.

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

Wheat Futures Contract: NCDEX Price							Date:08.11.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Nov	-36	2135	2135	2135	2135	80	0	1910	0
19-Dec	-6	2145	2145	2145	2145	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	-75		
19-Dec		10	
20-Jan			69

Stocks	Demat	In-Process	Total	EDD
	08.Nov.19	08.Nov.19	08.Nov.19	04.Nov.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	9956	0	9956	12217
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 09.11.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Nov-19	08-Nov-19	
Delhi	Lawrence Road	Mill Delivery	2255	2250	5
	Narella	Mill Quality Loose	2210	2200	10
	Nazafgarh	Mill Quality Loose	2100	2110	-10
Gujarat	Rajkot	Mill Delivery	2225	2210	15
	Ahmedabad	Mill Delivery	2275	2270	5
	Surat	Mill Delivery	2340	2330	10
	Dhrol	Mill Quality Loose	2275	2375	-100
M.P.	Indore	Mill Delivery	2240	2230	10
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	2060	2060	Unch
		Mill Delivery	2170	2170	Unch
U.P.	Kanpur	Mill Delivery	2085	2080	5
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2015	2015	Unch
	Hathras	Mill Quality Loose	Closed	2000	-
	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	2100	2100	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2125	2125	Unch
	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	2015	2010	5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09-Nov-19	08-Nov-19	
Gujarat	Rajkot	Lokwan	2250	2250	Unch
M.P.	Indore	Lokwan	2450	2450	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	2550	2550	Unch
Rajasthan	Kota	Lokwan Bilty	2225	2225	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			09-Nov-19	08-Nov-19	
Delhi	Lawrence Road	Mill Delivery	9000	7000	2000
	Narella	Mill Quality Loose	150	350	-200
	Nazafgarh	Mill Quality Loose	60	100	-40
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	7	14	-7
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	3000	2500	500
U.P.	Kanpur	Mill Quality Loose	500	800	-300
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	Closed	40	-
	Aligarh	Mill Quality Loose	300	400	-100
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch

	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	500	600	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	09-Nov-19	08-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: 08.11.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	512.50	517.75	505.50	510.25	-2.25
20-Mar	517.25	521.50	509.50	514.25	-3.00
20-May	523.00	526.50	515.25	519.75	-2.50
20-Jul	526.00	530.75	520.25	524.00	-2.50
20-Sep	534.75	536.00	528.00	531.50	-1.75
20-Dec	544.50	548.25	539.50	543.50	-1.00

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.