

Wheat Domestic Fundamentals:

As per latest update, area sown until 15th November-19 is 32.98 lakh hectares compared to 42.40 lakh hectares in the previous Rabi season. The normal area is 305.58 lakh hectares. Acreage in Punjab is lagging behind by 46.80 percent due to curb on stubble burning by the government which led to delay in field preparation.

As per market sources, wheat stock in central pool as on 1st November'19 stood at 373.77 lakh tonnes down by 4.93% compared to last month. This quantity is higher by around 12.80% 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.

All India weekly average prices increased by 0.47 percent to Rs. 2153.72 per quintal during the week ended 08th November 2019. Wheat average price were ruling at Rs 2143.68 per quintal during 24-31 October 2019. As compared to prices in the week 01-08 November 2018, the prices are firm by 5.60 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.

Floods and unseasonal rains have affected the sowing of crops in many states of the country. Sowing of wheat, the main Rabi crop, is lagging behind in the initial stages. Sowing of wheat is lagging behind in Madhya Pradesh, due to heavy rains in the state in September, flood-like conditions were created in many districts, whereas in October too, there has been more than normal rainfall. As per the Ministry of Agriculture, total sowing of rabi crops has been done in 95.35 lakh hectare as compared to 112.24 lakh hectare till this time last year. According to the ministry, wheat has been sown in only 9.69 lakh hectare, the main Rabi crop so far, while by last year it had been sown in 15.35 lakh hectare. Sowing of Rabi crops is still at an early stage and is likely to pick up with time.

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 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:

South Korea's largest animal feed maker has bought, NOFI, has bought around 60000 tonnes of feed wheat at \$228.70 C&F. The quantity is expected to arrive around 10th March-2020. The seller is expected to be trading house Agrocop.

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.

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

Wheat Futures Contract: NCDEX Price							Date:18.11.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Nov	+1	2175	2175	2175	2175	100	-10	810	0
19-Dec	0	2159	2159	2159	2159	0	0	0	0
20-Jan	0	2169	2169	2169	2169	0	0	0	0

Spread	Nov-19	Dec-19	Jan-20
Spot Narella			
19-Nov	-25		
19-Dec		-16	
20-Jan			10

Stocks	Demat	In-Process	Total	EDD
	16.Nov.19	16.Nov.19	16.Nov.19	12.Nov.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	10226	0	10226	10225
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 18.11.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Nov-19	16-Nov-19	
Delhi	Lawrence Road	Mill Delivery	2290	2280	10
	Narella	Mill Quality Loose	2200	2200	Unch
	Nazafgarh	Mill Quality Loose	2100	2100	Unch
Gujarat	Rajkot	Mill Delivery	2225	2230	-5
	Ahmedabad	Mill Delivery	2305	2300	5
	Surat	Mill Delivery	2360	2360	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	2235	2235	Unch
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	2025	2060	-35
		Mill Delivery	2150	2160	-10
U.P.	Kanpur	Mill Delivery	2100	NR	-
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2050	2030	20
	Hathras	Mill Quality Loose	2000	2000	Unch
	Aligarh	Mill Quality Loose	1980	1980	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2110	2100	10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2160	2160	Unch

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2350	Unch
	Madurai	Mill Quality	2407	2407	Unch
	Coimbatore	Mill Quality	2407	2407	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2010	2010	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Nov-19	16-Nov-19	
Gujarat	Rajkot	Lokwan	2250	2300	-50
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Nov-19	16-Nov-19	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	50	60	-10
Gujarat	Rajkot	Mill Quality Loose	900	400	500
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	4000	4000	Unch
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	800	NR	-
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	400	450	-50
	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	200	200	Unch
	Hodal	Mill Quality Loose	60	60	Unch
	Bhiwani	Mill Quality Loose	500	400	100
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
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Wheat Products Delhi	18-Nov-19	16-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: 15.11.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	507.75	508.50	501.50	502.75	-5.00
20-Mar	511.00	511.50	504.75	506.00	-5.00
20-May	516.00	516.25	509.75	510.75	-5.25
20-Jul	519.50	519.75	513.25	514.50	-5.00
20-Sep	527.00	527.00	521.00	522.00	-5.00
20-Dec	538.25	538.50	532.75	533.75	-4.75

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