

**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.

**Wheat sowing has been unusually delayed in Gujarat following muddy soil and waterlogged farms** due to extended rains. Progress in rabi sowing is much slower than expected as farmers are not able to till the land due to wet soil. The delay in rabi sowing will affect the new arrivals of some important crops including wheat. In Gujarat, irrigated wheat sowing is reported on about 40,000 hectares, which is barely 4 per cent of the normal sowing.

**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:**

**According to the government, Algeria has decided to cap soft wheat imports at 4 million tonnes a year,** down from 6.2 million tonnes. The move is designed to preserve foreign currency and reduce Algerian imports of cereals, especially soft wheat.

**According to trade sources, Argentina is set to dominate Asia's grain market for a second consecutive year in 2020** as trading companies are already buying significant volumes anticipating good first-quarter demand in the region. Drought in Australia is likely to reduce exports from the country.

**Japan's Ministry of Agriculture sought 119,998 tonnes of food-quality wheat from the United States and Canada in a regular tender on Tuesday.** Japan is the world's sixth-largest wheat importer and keeps a tight grip on imports of the country's second-most important staple after rice and buys the majority of the grain for milling via tenders typically issued three times a month.

**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 Agrocrops.

**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.

Wheat Futures Contract: NCDEX Price							Date:22.11.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec	0	2153	2153	2153	2153	0	0	0	0
20-Jan	0	2184	2184	2184	2184	10	-30	40	0
20-Feb	0	2215	2250	2215	2215	10	0	10	0

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2200		
19-Nov	-47		
19-Dec		31	
20-Jan			31

Stocks	Demat	In-Process	Total	EDD
	21.Nov.19	21.Nov.19	21.Nov.19	18.Nov.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 21.11.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Nov-19	21-Nov-19	
Delhi	Lawrence Road	Mill Delivery	2275	2290	-15
	Narella	Mill Quality Loose	2200	2200	Unch
	Nazafgarh	Mill Quality Loose	2100	2100	Unch
Gujarat	Rajkot	Mill Delivery	2240	2240	Unch
	Ahmedabad	Mill Delivery	2290	2310	-20
	Surat	Mill Delivery	2350	2360	-10
	Dhrol	Mill Quality Loose	2535	2500	35
M.P.	Indore	Mill Delivery	2260	2250	10
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	2035	2000	35
		Mill Delivery	2175	2135	40
U.P.	Kanpur	Mill Delivery	2100	2110	-10
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2050	2050	Unch
	Hathras	Mill Quality Loose	2025	2000	25

	Aligarh	Mill Quality Loose	2000	2000	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2110	2110	Unch
	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	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	1980	2000	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Nov-19	21-Nov-19	
Gujarat	Rajkot	Lokwan	2275	2275	Unch
M.P.	Indore	Lokwan	2500	2500	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2225	2300	-75
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Nov-19	21-Nov-19	
Delhi	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	200	250	-50
	Nazafgarh	Mill Quality Loose	20	20	Unch
Gujarat	Rajkot	Mill Quality Loose	400	700	-300
	Dhrol	Mill Quality Loose	6	10	-4

<b>M.P.</b>	Indore	Mill Quality Loose	8000	2500	<b>5500</b>
<b>Rajasthan</b>	Kota	Mill Quality	4500	3000	<b>1500</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	800	700	<b>100</b>
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	200	<b>Unch</b>
	Hathras	Mill Quality Loose	250	400	<b>-150</b>
	Aligarh	Mill Quality Loose	300	400	<b>-100</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	300	<b>-100</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	300	200	<b>100</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

<b>Wheat Products Delhi</b>	<b>22-Nov-19</b>	<b>21-Nov-19</b>	<b>Change</b>
Atta (50kg) Ordinary	1200	1200	<b>Unch</b>
Maida Grade 1 (50KG)	1400	1400	<b>Unch</b>
Suji (50kg)	1335	1335	<b>Unch</b>
Chokar (50 kg)	932	932	<b>Unch</b>
Chokar (34 kg)	634	634	<b>Unch</b>
Chakki Atta (50kg)	1362	1362	<b>Unch</b>
Chakki Atta (50kg) Special	1387	1387	<b>Unch</b>
Chakki Atta (90kg) Superfine	2511	2511	<b>Unch</b>
Chakki Atta (50kg) Superfine	1395	1395	<b>Unch</b>

<b>Wheat (CBOT) Future Price: 21.11.2019</b>					
<b>Contract Month</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Change</b>
<b>19-Dec</b>	515	519.5	508.25	509	<b>-6.5</b>
<b>20-Mar</b>	518	522.75	511	512	<b>-6.75</b>
<b>20-May</b>	521.25	525.5	515	515.75	<b>-6</b>
<b>20-Jul</b>	521.75	526.5	517.5	517.75	<b>-5.5</b>
<b>20-Sep</b>	528.75	532.75	525	525	<b>-5.25</b>
<b>20-Dec</b>	538.5	543.5	535.75	536.25	<b>-5.25</b>

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