

Wheat Domestic Fundamentals:

As per latest update, area sown until 22nd November-19 is 96.77 lakh hectares compared to 99.64 lakh hectare in the previous Rabi season. The normal area is 305.58 lakh hectares. In Gujarat, irrigated wheat sowing is reported on about 40,000 hectares, which is barely 4 per cent of the normal sowing.

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 Agrocorp.

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:25.11.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec	0	2157	2157	2157	2157	0	0	0	0
20-Jan	0	2167	2167	2167	2167	10	0	40	0
20-Feb	0	2178	2178	2178	2178	10	0	10	0

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2250		
19-Nov	-93		
19-Dec		10	
20-Jan			11

Stocks	Demat	In-Process	Total	EDD
	23.Nov.19	23.Nov.19	23.Nov.19	18.Nov.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	9067	-	9067	10225
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 21.11.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Nov-19	23-Nov-19	
Delhi	Lawrence Road	Mill Delivery	2270	2270	Unch
	Narella	Mill Quality Loose	2250	2190	60
	Nazafgarh	Mill Quality Loose	2150	2150	Unch
Gujarat	Rajkot	Mill Delivery	2240	2240	Unch
	Ahmedabad	Mill Delivery	2280	2290	-10
	Surat	Mill Delivery	2350	2350	Unch
	Dhrol	Mill Quality Loose	2500	2400	100
M.P.	Indore	Mill Delivery	2260	2260	Unch
	Bhopal	Mill Quality Loose	Closed	2100	-
Rajasthan	Kota	Mill Quality Loose	2010	2035	-25
		Mill Delivery	2140	2175	-35
U.P.	Kanpur	Mill Delivery	2110	2100	10
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2050	2050	Unch
	Hathras	Mill Quality Loose	2025	2025	Unch

	Aligarh	Mill Quality Loose	2050	2000	50
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2120	2110	10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2165	2160	5
	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	2000	1980	20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Nov-19	23-Nov-19	
Gujarat	Rajkot	Lokwan	2275	2275	Unch
M.P.	Indore	Lokwan	2500	2500	Unch
	Bhopal	Lokwan	Closed	2300	-
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2220	2225	-5
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Nov-19	23-Nov-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	10	50	-40
Gujarat	Rajkot	Mill Quality Loose	500	450	50
	Dhrol	Mill Quality Loose	33	37	-4

M.P.	Indore	Mill Quality Loose	3000	5000	-2000
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	700	800	-100
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	200	250	-50
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	50	50	Unch
	Bhiwani	Mill Quality Loose	400	400	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	25-Nov-19	23-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: 22.11.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	509.25	518.5	508.25	515.25	6.25
20-Mar	512	522	511.25	518.75	6.75
20-May	516	525.75	515	522.75	7.00
20-Jul	517.5	527	517.5	524	6.25
20-Sep	525.25	533.75	525.25	531	6.00
20-Dec	536.5	545	536.25	542	5.75

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