

**Wheat Domestic Fundamentals:**

**As per latest update, area sown until 29<sup>th</sup> November-19 is 150.74 lakh hectares compared to 141.25 lakh hectare in the previous Rabi season.** The normal area is 305.58 lakh hectares. Acreage under wheat has increased in the states of Madhya Pradesh and Rajasthan till date.

**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.

**Farmers in Amritsar, Punjab have to sow the seeds of the wheat crop again** as the earlier sown seeds were damaged by heavy hailstorm and rain during the first week of November. The seeds did not germinate due to more moisture content in the soil. They have to face double loss of sowing the wheat again and less per acre yield amid late sowing. According to market sources, a loss of 1.5 quintal is usually witnessed if the crop sowing is delayed by one week. Now, as the sowing has been delayed by two-three weeks, it is expected that estimated per acre loss would be around four quintals.

**Wheat WPI has increased from 158.3 in September -2019 to 160.6 in October-2019.** Monthly wheat inflation has increased by 1.45 percent in October-2019 compared to previous month.

**India received monsoon rains during the June-September season that were 10% above average** and the rainfall continued during October and November, increasing soil moisture levels required for crop sowing. Farmers are likely to increase the acreage under wheat as it a more stable crop following purchase by the government. However sowing has been delayed following wet weather and yield could be affected. Much depends on the weather conditions in the coming days.

**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.

**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:**

**Australia's agricultural department has reduced its forecast for wheat production in 2019-20 (April –March)** following unfavourable weather in the growing regions. The wheat production is expected to fall 16.8% to 15.85 MMT according to the Bureau of Agricultural and Resource Economics and Sciences. The forecast is 8.4% lower from the amount of wheat produced in 2018-19. Western Australia, one of the major wheat producing regions in Australia was hit by below-average winter rainfall and above-average temperatures, leading to a decline in wheat production by 41% to around 6 MMT.

**According to official sources, Egypt's state grain buyer bought 465,000 tonnes of wheat** in an international purchase tender last week. The purchase comprised of 345,000 tonnes of Russian wheat and 120,000 tonnes of Ukrainian wheat.

**According to government sources, Zimbabwe has removed import controls on wheat flour** following a severe drought that has reduced supplies in the country. Millers will no longer be able to buy grain at subsidized prices from the state grain agency.

**In U.K., area under winter wheat is forecast to decline by 10 percent compared to previous year.** Continued wet weather has prolonged this autumn's drilling season and growers intend to plant 1.65 million hectares compared to 1.82 million hectares previous year.

**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.

Wheat Futures Contract: NCDEX Price							Date:03.12.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec	0	2146	2146	2146	2146	0	0	0	0
20-Jan	0	2156	2156	2156	2156	0	0	40	0
20-Feb	0	2167	2167	2167	2167	0	0	10	0

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2200		
19-Nov	-54		
19-Dec		10	
20-Jan			11

Stocks	Demat	In-Process	Total	EDD
	02.Dec.19	02.Dec.19	02.Dec.19	02.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	9067	-	9067	9067
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 03.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			03-Dec-19	02-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2255	2265	-10
	Narella	Mill Quality Loose	2200	2200	Unch
	Nazafgarh	Mill Quality Loose	2180	2150	30
Gujarat	Rajkot	Mill Delivery	2180	2185	-5
	Ahmedabad	Mill Delivery	2250	2270	-20
	Surat	Mill Delivery	2325	2330	-5
	Dhrol	Mill Quality Loose	2380	2570	-190
M.P.	Indore	Mill Delivery	2240	2240	Unch
	Bhopal	Mill Quality Loose	2150	2150	Unch
Rajasthan	Kota	Mill Quality Loose	2010	2010	Unch
		Mill Delivery	2125	2125	Unch
U.P.	Kanpur	Mill Delivery	2090	2090	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2070	2070	Unch
	Hathras	Mill Quality Loose	2000	2000	Unch

	Aligarh	Mill Quality Loose	2050	2060	<b>-10</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	2000	2000	<b>Unch</b>
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	2125	2125	<b>Unch</b>
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2200	2200	<b>Unch</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2450	2450	<b>Unch</b>
	Madurai	Mill Quality	2507	2507	<b>Unch</b>
	Coimbatore	Mill Quality	2507	2507	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	2100	2100	<b>Unch</b>
	Muzaffarpur	Mill Delivery	2020	2020	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			03-Dec-19	02-Dec-19	
<b>Gujarat</b>	Rajkot	Lokwan	2240	2200	<b>40</b>
<b>M.P.</b>	Indore	Lokwan	2600	2600	<b>Unch</b>
	Bhopal	Lokwan	2250	2250	<b>Unch</b>
	Bina	Sarbati 306	2500	2500	<b>Unch</b>
<b>Rajasthan</b>	Kota	Lokwan Bilty	2250	2250	<b>Unch</b>
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			03-Dec-19	02-Dec-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	6500	5500	<b>1000</b>
	Narella	Mill Quality Loose	200	150	<b>50</b>
	Nazafgarh	Mill Quality Loose	50	20	<b>30</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	700	1100	<b>-400</b>
	Dhrol	Mill Quality Loose	22	8	<b>14</b>

<b>M.P.</b>	Indore	Mill Quality Loose	4000	5000	<b>-1000</b>
<b>Rajasthan</b>	Kota	Mill Quality	4000	3000	<b>1000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	800	800	<b>Unch</b>
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	250	250	<b>Unch</b>
	Hathras	Mill Quality Loose	100	150	<b>-50</b>
	Aligarh	Mill Quality Loose	150	300	<b>-150</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	400	800	<b>-400</b>
	(Ludhiana).Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	<b>Unch</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	400	400	<b>Unch</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

<b>Wheat Products Delhi</b>	<b>03-Dec-19</b>	<b>02-Dec-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: 02.12.2019</b>					
<b>Contract Month</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Change</b>
<b>19-Dec</b>	549.5	549.75	542.75	543.25	<b>-4.25</b>
<b>20-Mar</b>	542.75	544	534.25	535.25	<b>-6.5</b>
<b>20-May</b>	545.5	546.5	538	539	<b>-5.75</b>
<b>20-Jul</b>	542.75	545	537.5	538.75	<b>-4</b>
<b>20-Sep</b>	546.25	549.75	543	544.5	<b>-3.25</b>
<b>20-Dec</b>	555.75	559	552.75	554.25	<b>-2.25</b>

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