

Wheat Domestic Fundamentals:

As per latest update, area sown until 29th 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:

Japan's Ministry of Agriculture has sought 160,640 tonnes of food-quality wheat from the United States and Canada in a regular tender on December 03, 2019. Japan, the world's sixth-largest wheat importer, 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. The tender will close late Thursday on 05 December, 2019.

Iraq has outlined its wheat import goal for 2020. It has planned to purchase 750,000 tonnes of wheat from abroad in 2020 and nationwide protests that have extended to a key port were not disrupting shipments so far according to sources at the Iraq Grain Board. Iraq needs between 4.5 million and 5 million tonnes of wheat a year to supply its food rationing program. It mixes local wheat with grain from Australia, Canada and the United States.

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.

Wheat Futures Contract: NCDEX Price							Date:05.12.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec	0	2130	2130	2130	2130	0	0	0	0
20-Jan	0	2140	2140	2140	2140	0	0	40	40
20-Feb	0	2150	2150	2150	2150	0	0	10	10

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2190		
19-Nov	-60		
19-Dec		10	
20-Jan			10

Stocks	Demat	In-Process	Total	EDD
	04.Dec.19	04.Dec.19	04.Dec.19	02.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	8366	-	8336	9067
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 05.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05-Dec-19	04-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2255	2255	Unch
	Narella	Mill Quality Loose	2190	Closed	-
	Nazafgarh	Mill Quality Loose	2180	Closed	-
Gujarat	Rajkot	Mill Delivery	2175	2180	-5
	Ahmedabad	Mill Delivery	2240	2250	-10
	Surat	Mill Delivery	2320	2330	-10
	Dhrol	Mill Quality Loose	NR	2460	-
M.P.	Indore	Mill Delivery	2240	2240	Unch
	Bhopal	Mill Quality Loose	2125	2125	Unch
Rajasthan	Kota	Mill Quality Loose	2030	2000	30
		Mill Delivery	2150	2150	Unch
U.P.	Kanpur	Mill Delivery	2080	2080	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2060	2060	Unch
	Hathras	Mill Quality Loose	2050	2025	25

	Aligarh	Mill Quality Loose	2050	Closed	-
Punjab	Khanna	Mill Quality Loose	2000	1960	40
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2125	2125	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2210	2200	10
	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	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05-Dec-19	04-Dec-19	
Gujarat	Rajkot	Lokwan	2250	2250	Unch
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2200	2250	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			05-Dec-19	04-Dec-19	
Delhi	Lawrence Road	Mill Delivery	5500	6500	-1000
	Narella	Mill Quality Loose	150	Closed	-
	Nazafgarh	Mill Quality Loose	20	Closed	-
Gujarat	Rajkot	Mill Quality Loose	900	600	300

	Dhrol	Mill Quality Loose	NR	25	-
M.P.	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	3500	4000	-500
U.P.	Kanpur	Mill Quality Loose	1000	800	200
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	400	450	-50
	Aligarh	Mill Quality Loose	200	Closed	-
Punjab	Khanna	Mill Quality Loose	600	600	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	600	400	200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	05-Dec-19	04-Dec-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: 04.12.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	531.00	535.50	531.00	535.00	4.50
20-Mar	525.25	529.75	522.25	527.50	2.25
20-May	529.75	533.50	527.00	531.50	1.75
20-Jul	531.25	535.50	528.75	532.75	1.75
20-Sep	536.50	541.00	535.00	538.25	1.25
20-Dec	547.25	551.00	545.25	548.25	1.00

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