

Wheat Domestic Fundamentals:

As per latest update, area sown until 6th December-19 is 202.54 lakh hectares compared to 194.21 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 declined by 0.69 percent to Rs. 2218.98 per quintal during the week ended 7th December 2019. Wheat average price were ruling at Rs 2234.40 per quintal during 23-30 November 2019. As compared to prices in the week 01-07 December 2018, the prices are firm by 6.62 percent. Prices are expected to remain steady to weak in coming days amid increase in wheat acreage till date.

In Sangrur district, the attack of armyworms and pink stem borer has affected the wheat crop spread over 2,500 acres here. Farmers claim that the sowing of wheat without burning of paddy stubble has caused the disease. Agricultural experts are organising special meetings to spread awareness about preventive measures and some farmers have started ploughing their crops.

Acreage under wheat is expected to reach new high this season amid ample availability of water following good rains and wheat offers a stable yield. Better returns is also motivating the farmers to increase the acreage. Farmers are seen shifting from chana and mustard to the crop. Sowing is mainly higher in the states of Madhya Pradesh and Rajasthan. Weather in coming days will determine actual increase in output.

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.

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 latest supply and demand report released by the USDA, the outlook for 2019/20 U.S. wheat is for decreased supplies, higher exports, and lower ending stocks. Wheat imports are lowered 15 million bushels to 105 million on a slower than expected pace to date; U.S. wheat exports are raised 25 million bushels to 975 million on a strong pace to date, more competitive prices, and reduced supplies from several major competitors. With reduced supplies and higher use, 2019/20 ending stocks are cut 40 million bushels to 974 million, the lowest in 5 years.

Pakistan is expected to harvest bumper wheat crop this season. Owing to multiple factors that includes government initiatives to enhance the output of major crops, favorable weather conditions and timely harvesting of seasonal crops, it is expecting to harvest bumper wheat crop of 27 MMT during current season compared to the last year's produce of 24.47 MMT.

According to France's Farm Ministry, winter wheat area for 2020 is estimated at 4.73 million hectares. This is 4.8% lower compared to this year. France is the largest grain producer in European Union. Heavy rain has disrupted autumn sowing of wheat in France along with other grains and oilseeds.

INTL FCStone has forecast Australian wheat production for the 2019-20 season at 14.97 MMT, below the country's latest official estimate of 15.85 MMT. Drought in the country's east shows no signs of easing thereby leading to lower production.

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.

Wheat Futures Contract: NCDEX Price							Date:11.12.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec	0	2131	2131	2131	2131	0	0	0	0
20-Jan	0	2141	2141	2141	2141	0	0	40	0
20-Feb	0	2151	2151	2151	2151	0	0	10	0

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2200		
19-Nov	-69		
19-Dec		10	
20-Jan			10

Stocks	Demat	In-Process	Total	EDD
	10.Dec.19	10.Dec.19	10.Dec.19	09.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1225	-	1225	1225
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 11.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Dec-19	10-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2255	2250	5
	Narella	Mill Quality Loose	Closed	2200	-
	Nazafgarh	Mill Quality Loose	Closed	2150	-
Gujarat	Rajkot	Mill Delivery	2210	2210	Unch
	Ahmedabad	Mill Delivery	2245	2250	-5
	Surat	Mill Delivery	2330	2330	Unch
	Dhrol	Mill Quality Loose	NR	2520	-
M.P.	Indore	Mill Delivery	2230	2230	Unch
	Bhopal	Mill Quality Loose	2125	2125	Unch
Rajasthan	Kota	Mill Quality Loose	2010	2010	Unch
		Mill Delivery	2130	2150	-20
U.P.	Kanpur	Mill Delivery	2090	2090	Unch
	Mathura	Mill Quality Loose	2040	2040	Unch
	Kosi	Mill Quality Loose	2080	2080	Unch
	Hathras	Mill Quality Loose	2050	2050	Unch

	Aligarh	Mill Quality Loose	Closed	2000	-
Punjab	Khanna	Mill Quality Loose	2020	2010	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2140	2140	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2200	2200	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2500	2500	Unch
	Madurai	Mill Quality	2557	2557	Unch
	Coimbatore	Mill Quality	2557	2557	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	1975	2000	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Dec-19	10-Dec-19	
Gujarat	Rajkot	Lokwan	2275	2250	25
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	Closed	2500	-
Rajasthan	Kota	Lokwan Bilty	2180	2200	-20
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Dec-19	10-Dec-19	
Delhi	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	Closed	250	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	NR	16	-

M.P.	Indore	Mill Quality Loose	3000	5000	-2000
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	700	500	200
	Mathura	Mill Quality Loose	200	230	-30
	Kosi	Mill Quality Loose	150	150	Unch
	Hathras	Mill Quality Loose	300	350	-50
	Aligarh	Mill Quality Loose	Closed	150	-
Punjab	Khanna	Mill Quality Loose	600	600	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	700	300	400
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	11-Dec-19	10-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: 10.12.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	532.25	537.50	529.75	534.75	2.75
20-Mar	522.75	528.00	519.25	523.75	1.00
20-May	525.50	530.75	522.25	526.75	0.75
20-Jul	528.50	533.25	525.25	529.75	1.00
20-Sep	534.75	539.25	532.00	536.50	1.00
20-Dec	544.50	549.75	543.50	547.25	1.25

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