

**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 COCERAL Grain Report, European Union's wheat production estimates have been increased by 14.3% to 152.6 MMT in 2019-20 compared to previous year. The EU is the world's largest wheat producer and second-largest exporter after Russia.**

**According to the latest supply and demand report released by the USDA for the month of December, 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, favourable 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.**

Wheat Futures Contract: NCDEX Price							Date:12.12.2019 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	0
20-Feb	0	2150	2150	2150	2150	0	0	10	0

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2200		
19-Nov	-70		
19-Dec		10	
20-Jan			10

Stocks	Demat	In-Process	Total	EDD
	11.Dec.19	11.Dec.19	11.Dec.19	09.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1225	-	1225	1225
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 12.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Dec-19	11-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2250	2255	-5
	Narella	Mill Quality Loose	2200	Closed	-
	Nazafgarh	Mill Quality Loose	2150	Closed	-
Gujarat	Rajkot	Mill Delivery	2205	2210	-5
	Ahmedabad	Mill Delivery	2240	2245	-5
	Surat	Mill Delivery	2340	2330	10
	Dhrol	Mill Quality Loose	2450	2470	-20
M.P.	Indore	Mill Delivery	2250	2230	20
	Bhopal	Mill Quality Loose	2125	2125	Unch
Rajasthan	Kota	Mill Quality Loose	2010	2010	Unch
		Mill Delivery	2140	2130	10
U.P.	Kanpur	Mill Delivery	2100	2090	10
	Mathura	Mill Quality Loose	NA	2040	-
	Kosi	Mill Quality Loose	2060	2080	-20
	Hathras	Mill Quality Loose	NR	2050	-

	Aligarh	Mill Quality Loose	2000	Closed	-
Punjab	Khanna	Mill Quality Loose	2020	2020	Unch
	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	2450	2500	-50
	Madurai	Mill Quality	2507	2557	-50
	Coimbatore	Mill Quality	2507	2557	-50
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	1975	1975	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Dec-19	11-Dec-19	
Gujarat	Rajkot	Lokwan	2275	2275	Unch
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2300	2250	50
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2180	2180	Unch
	Baran	Lokwan	NA	NA	-

#### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Dec-19	11-Dec-19	
Delhi	Lawrence Road	Mill Delivery	6000	7000	-1000
	Narella	Mill Quality Loose	100	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	22	30	-8

<b>M.P.</b>	Indore	Mill Quality Loose	4000	3000	<b>1000</b>
<b>Rajasthan</b>	Kota	Mill Quality	3500	3000	<b>500</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	600	700	<b>-100</b>
	Mathura	Mill Quality Loose	NA	200	-
	Kosi	Mill Quality Loose	150	150	<b>Unch</b>
	Hathras	Mill Quality Loose	NR	300	-
	Aligarh	Mill Quality Loose	150	Closed	-
<b>Punjab</b>	Khanna	Mill Quality Loose	50	600	<b>-550</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	<b>Unch</b>
	Hodal	Mill Quality Loose	30	50	<b>-20</b>
	Bhiwani	Mill Quality Loose	600	700	<b>-100</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

<b>Wheat Products Delhi</b>	<b>12-Dec-19</b>	<b>11-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: 11.12.2019</b>					
<b>Contract Month</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Change</b>
<b>19-Dec</b>	534.50	534.50	528.00	530.75	<b>-4.00</b>
<b>20-Mar</b>	523.50	523.50	516.75	519.25	<b>-4.50</b>
<b>20-May</b>	527.00	527.00	520.25	522.75	<b>-4.00</b>
<b>20-Jul</b>	529.00	529.75	523.25	526.00	<b>-3.75</b>
<b>20-Sep</b>	535.50	536.00	530.00	532.75	<b>-3.75</b>
<b>20-Dec</b>	546.25	546.25	540.75	543.25	<b>-4.00</b>

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