

Wheat Domestic Fundamentals:

As per latest update, area sown until 13th December-19 is 248.03 lakh hectares compared to 226.25 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, Gujarat, Maharashtra 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.

Rain and hailstorm have been reported in the wheat growing regions of Haryana. Planting had been delayed due to rains in the previous month. However any major damage is not expected as the crop is in tillering and sprouting stages. Tillering starts after 20 days of germination and sprouting starts after 30 -35 days of sowing the crop.

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.

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 11.96 thousand tonnes in the month of October-2019. The quantity in October-2019 was exported at an average FOB of \$ 304.90 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:13.12.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec	0	2153	2153	2153	2153	0	0	0	0
20-Jan									
20-Feb	0	2173	2173	2173	2173	0	0	10	0

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2200		
19-Nov	-47		
19-Dec		-	
20-Jan			1

Stocks	Demat	In-Process	Total	EDD
	12.Dec.19	12.Dec.19	12.Dec.19	09.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1225	-	1225	1225
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 13.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Dec-19	12-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2260	2250	10
	Narella	Mill Quality Loose	2200	2200	Unch
	Nazafgarh	Mill Quality Loose	2150	2150	Unch
Gujarat	Rajkot	Mill Delivery	2210	2205	5
	Ahmedabad	Mill Delivery	2250	2240	10
	Surat	Mill Delivery	2330	2340	-10
	Dhrol	Mill Quality Loose	2380	2450	-70
M.P.	Indore	Mill Delivery	2250	2250	Unch
	Bhopal	Mill Quality Loose	2125	2125	Unch
Rajasthan	Kota	Mill Quality Loose	2000	2010	-10
		Mill Delivery	2130	2140	-10
U.P.	Kanpur	Mill Delivery	2080	2100	-20
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2060	2060	Unch
	Hathras	Mill Quality Loose	NR	NR	-

	Aligarh	Mill Quality Loose	2000	2000	Unch
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	2450	Unch
	Madurai	Mill Quality	2507	2507	Unch
	Coimbatore	Mill Quality	2507	2507	Unch
Bihar	Khagariya	Mill Delivery	2200	2100	100
	Muzaffarpur	Mill Delivery	2000	1975	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Dec-19	12-Dec-19	
Gujarat	Rajkot	Lokwan	2275	2275	Unch
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2180	-30
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Dec-19	12-Dec-19	
Delhi	Lawrence Road	Mill Delivery	7000	6000	1000
	Narella	Mill Quality Loose	100	100	Unch
	Nazafgarh	Mill Quality Loose	10	50	-40
Gujarat	Rajkot	Mill Quality Loose	700	700	Unch
	Dhrol	Mill Quality Loose	9	22	-13

M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	3000	3500	-500
U.P.	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	150	150	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	50	150	-100
Punjab	Khanna	Mill Quality Loose	NA	50	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	30	30	Unch
	Bhiwani	Mill Quality Loose	200	600	-400
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	13-Dec-19	12-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: 12.12.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	529.75	544.00	528.75	539.25	8.50
20-Mar	518.00	534.25	516.25	530.25	11.00
20-May	521.25	537.00	520.00	533.00	10.25
20-Jul	524.50	539.75	523.25	536.00	10.00
20-Sep	531.25	545.50	530.00	542.00	9.25
20-Dec	541.75	555.75	541.00	551.75	8.50

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.