

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 December'19 stood at 351.75 lakh tonnes down by 5.89% compared to last month. This quantity is higher by around 14.84% 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 160.6.3 in October -2019 to 164.4 in November-2019. Monthly wheat inflation has increased by 2.37 percent in November-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:

Wheat crop in Western Australia is estimated to be lower by another 470,000 tonnes to 5.38 MMT, down by 4.77 lakh metric tonnes compared to previous year. Wheat exports from Australia (June to July basis) have also been revised down to a 12-year low of 9.22 MMT, and down 5.80 lakh metric tonnes year on year.

The Government of Sri Lanka has removed the consolidated Tax of Rs 36 per kilogram of imported wheat flour and replaced it with the Special Commodity Levy (SCL) of Rs. 8 per kg. This Special Commodity Levy has come into effect from December 14th, 2019.

Argentina's new government has increased tax on wheat exports from 6.7% to 12%. In anticipation of the increase in export taxes, farmers and traders were selling grains at a rapid pace before the new government took charge on December 10. Argentina shipped 230,000 metric tonnes of wheat in October and 700,000 metric tonnes in November according to trade sources.

The Sindh food department has signed a memorandum of understanding for the procurement of 300,000 tonnes of wheat with the Pakistan Agricultural Storage and Services Corporation (PASSCO). This wheat was being supplied to flour mills at subsidised rates, with the federal and provincial governments covering 50 percent of the cost.

Tunisia's state grains agency has issued an international tender to purchase around 100,000 tonnes of durum wheat and 92,000 tonnes of soft wheat. The tender closed on Dec. 13, 2019. The grains can be sourced from optional origins for 2020 shipment. The durum was sought in four consignments of 25,000 tonnes and the soft wheat in three of 25,000 tonnes and one of 17,000 tonnes. The durum shipment was sought between Jan. 15 and March 25, depending on origin selected. The soft wheat shipment was sought between Jan. 10 and Feb. 25, 2020.

Wheat Futures Contract: NCDEX Price							Date:17.12.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec	0	2137	2137	2137	2137				
20-Jan	0	2147	2147	2147	2147			40	40
20-Feb	0	2163	2163	2163	2163	0	0	10	0

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2200		
19-Dec	-63		
20-Jan		10	
20-Feb			16

Stocks	Demat	In-Process	Total	EDD
	16.Dec.19	16.Dec.19	16.Dec.19	16.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1225	-	1225	1225
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 17.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Dec-19	16-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2260	2250	10
	Narella	Mill Quality Loose	2200	2210	-10
	Nazafgarh	Mill Quality Loose	2160	2160	Unch
Gujarat	Rajkot	Mill Delivery	2210	2210	Unch
	Ahmedabad	Mill Delivery	2265	2265	Unch
	Surat	Mill Delivery	2330	2330	Unch
	Dhrol	Mill Quality Loose	2350	2335	15
M.P.	Indore	Mill Delivery	2250	2250	Unch
	Bhopal	Mill Quality Loose	2150	2125	25
Rajasthan	Kota	Mill Quality Loose	2010	2000	10
		Mill Delivery	2130	2125	5
U.P.	Kanpur	Mill Delivery	2100	2090	10
	Mathura	Mill Quality Loose	2030	2050	-20
	Kosi	Mill Quality Loose	2100	2060	40
	Hathras	Mill Quality Loose	2050	2050	Unch

	Aligarh	Mill Quality Loose	2050	2050	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	2200	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
			17-Dec-19	16-Dec-19	
Gujarat	Rajkot	Lokwan	2250	2275	-25
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Dec-19	16-Dec-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	200	150	50
	Nazafgarh	Mill Quality Loose	50	20	30
Gujarat	Rajkot	Mill Quality Loose	700	800	-100
	Dhrol	Mill Quality Loose	30	4	26

M.P.	Indore	Mill Quality Loose	4000	3500	500
Rajasthan	Kota	Mill Quality	5000	4000	1000
U.P.	Kanpur	Mill Quality Loose	500	700	-200
	Mathura	Mill Quality Loose	230	210	20
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	300	100	200
	Aligarh	Mill Quality Loose	200	150	50
Punjab	Khanna	Mill Quality Loose	700	700	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	600	700	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	17-Dec-19	16-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: 16.12.2019					
Contract Month	Open	High	Low	Close	Change
20-Mar	534.75	556.75	534.75	549.75	17.25
20-May	537.00	558.25	537.00	551.25	16.50
20-Jul	539.00	558.00	539.00	551.25	13.50
20-Sep	546.00	562.00	546.00	555.50	12.00
20-Dec	556.00	570.50	556.00	564.25	10.50
21-Mar	565.75	577.25	565.75	572.25	9.25

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.