

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:

According to APK consultancy, an extremely dry autumn has led to a 10% decrease in winter wheat planting in Ukraine. The area that accounts for more than 95% of Ukraine's total output declined to 5.9 million hectares from 6.64 million hectares a year ago. This year acreage is lowest since 2014. Ukraine harvested 28.1 million tonnes of wheat in 2019 compared with 24.6 million tonnes in 2018. The U.S. Department of Agriculture's Foreign Agricultural Service projects Ukraine's 2020 wheat production at 29 million tonnes.

Japan's Ministry of Agriculture sought 148,405 metric tonnes of food-quality wheat from the United States, Canada and Australia in a regular tender on Tuesday. The tender will close on Thursday. The shipments will be loaded between January 16 –February 15, 2020 and is expected to arrive by March 05, 2020.

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.

Wheat Futures Contract: NCDEX Price							Date:18.12.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Dec									
20-Jan	0	2150	2150	2150	2150			40	0
20-Feb									

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2200		
19-Dec	-		
20-Jan		-	
20-Feb			-

Stocks	Demat	In-Process	Total	EDD
	17.Dec.19	17.Dec.19	17.Dec.19	16.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	967	-	967	1225
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 18.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Dec-19	17-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2265	2260	5
	Narella	Mill Quality Loose	Closed	2200	-
	Nazafgarh	Mill Quality Loose	Closed	2160	-
Gujarat	Rajkot	Mill Delivery	2220	2210	10
	Ahmedabad	Mill Delivery	2270	2265	5
	Surat	Mill Delivery	2340	2330	10
	Dhrol	Mill Quality Loose	2375	2350	25
M.P.	Indore	Mill Delivery	2250	2250	Unch
	Bhopal	Mill Quality Loose	2150	2150	Unch
Rajasthan	Kota	Mill Quality Loose	2050	2010	40
		Mill Delivery	2160	2130	30
U.P.	Kanpur	Mill Delivery	2100	2100	Unch
	Mathura	Mill Quality Loose	2020	2030	-10
	Kosi	Mill Quality Loose	2100	2100	Unch
	Hathras	Mill Quality Loose	2050	2050	Unch

	Aligarh	Mill Quality Loose	Closed	2050	-
Punjab	Khanna	Mill Quality Loose	2005	2020	-15
	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
			18-Dec-19	17-Dec-19	
Gujarat	Rajkot	Lokwan	2275	2250	25
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	Closed	2500	-
Rajasthan	Kota	Lokwan Bilty	2200	2100	100
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Dec-19	17-Dec-19	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	500	700	-200
	Dhrol	Mill Quality Loose	12	30	-18

M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	3000	5000	-2000
U.P.	Kanpur	Mill Quality Loose	700	500	200
	Mathura	Mill Quality Loose	220	230	-10
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	250	300	-50
	Aligarh	Mill Quality Loose	Closed	200	-
Punjab	Khanna	Mill Quality Loose	800	700	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	80	50	30
	Bhiwani	Mill Quality Loose	400	600	-200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	18-Dec-19	17-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: 17.12.2019					
Contract Month	Open	High	Low	Close	Change
20-Mar	553.25	557.25	545.00	556.25	6.50
20-May	554.00	559.75	547.00	559.00	7.75
20-Jul	554.00	560.00	547.00	559.00	7.75
20-Sep	557.25	563.75	551.50	563.25	7.75
20-Dec	566.00	572.25	560.00	571.50	7.25
21-Mar	575.00	580.00	568.00	579.50	7.25

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