

**Wheat Domestic Fundamentals:**

**As per latest update, area sown until 20th December-19 is 277.91 lakh hectares compared to 250.02 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.**

**According to FCI, wheat stocks in the central pool as on 1st December 2019, is reported at 351 lakh metric tonnes. Stocks have increased amid less demand in the domestic market. This year farmers in Madhya Pradesh, Gujarat and Maharashtra are shifting from chana towards wheat following higher soil moisture and water availability leading to higher acreage till date. Storage will become an issue for the government following higher stocks currently and another year of expected bumper production. Weather in the coming days will determine the actual output of wheat.**

**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 21.40 thousand tonnes in the month of November-2019. The quantity in November-2019 was exported at an average FOB of \$ 298.15 per tonne and the major destinations were Bangladesh, Nepal, Jordan, UAE and Sri Lanka. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.**

**International Market Update:**

**The Taiwan Flour Millers' Association purchased 104,600 tonnes of milling wheat to be sourced from the United States in a tender which closed on Thursday according to European Trade sources. The wheat was bought in two consignments comprising various wheat types for shipment from the US Pacific Northwest coast in February and March 2020.**

**According to trade sources, Iran has bought up to 1 million metric tonnes of wheat from international markets in recent weeks. Imports are expected from Russia and European Union countries including Germany. Iran is planning to import 3 million tonnes of wheat this Iranian calendar year ending in spring 2020, according to an official from the country's Federation of Food Industry Associations.**

**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.**

**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 metric tonnes of wheat in 2019 compared with 24.6 million metric tonnes in 2018. The U.S. Department of Agriculture's Foreign Agricultural Service projects Ukraine's 2020 wheat production at 29 million metric tonnes.**

| Wheat Futures Contract: NCDEX Price |     |      |      |      |       |        | Date:20.12.2019 at 5:00 PM |    |                       |
|-------------------------------------|-----|------|------|------|-------|--------|----------------------------|----|-----------------------|
| Contract Month                      | +/- | Open | High | Low  | Close | Volume | Ch. From previous day      | OI | Ch. From previous day |
| 19-Dec                              | 0   | 2148 | 2148 | 2148 | 2148  |        |                            |    |                       |
| 20-Jan                              | 0   | 2158 | 2158 | 2158 | 2158  |        |                            | 40 | 0                     |
| 20-Feb                              | 0   | 2168 | 2168 | 2168 | 2168  |        |                            | 10 | 0                     |

| Spread       | Dec-19 | Jan-20 | Feb-20 |
|--------------|--------|--------|--------|
| Spot Narella | 2190   |        |        |
| 19-Dec       | -42    |        |        |
| 20-Jan       |        | 10     |        |
| 20-Feb       |        |        | 11     |

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

## Wheat Daily Prices and Arrivals on 21.12.2019

| Centre    | Market        | Variety            | Prices (Rs/Qtl) |           | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
|           |               |                    | 21-Dec-19       | 20-Dec-19 |        |
| Delhi     | Lawrence Road | Mill Delivery      | 2270            | 2270      | Unch   |
|           | Narella       | Mill Quality Loose | 2160            | 2190      | -30    |
|           | Nazafgarh     | Mill Quality Loose | NA              | NA        | -      |
| Gujarat   | Rajkot        | Mill Delivery      | 2220            | 2210      | 10     |
|           | Ahmedabad     | Mill Delivery      | 2290            | 2280      | 10     |
|           | Surat         | Mill Delivery      | 2380            | 2370      | 10     |
|           | Dhrol         | Mill Quality Loose | 2590            | 2465      | 125    |
| M.P.      | Indore        | Mill Delivery      | 2260            | Closed    | -      |
|           | Bhopal        | Mill Quality Loose | 2150            | Closed    | -      |
| Rajasthan | Kota          | Mill Quality Loose | 2030            | 2030      | Unch   |
|           |               | Mill Delivery      | 2150            | 2150      | Unch   |
| U.P.      | Kanpur        | Mill Delivery      | 2100            | 2100      | Unch   |
|           | Mathura       | Mill Quality Loose | 2035            | 2040      | -5     |
|           | Kosi          | Mill Quality Loose | 2100            | 2125      | -25    |
|           | Hathras       | Mill Quality Loose | 2050            | 2050      | Unch   |

|            |                               |                     |      |      |      |
|------------|-------------------------------|---------------------|------|------|------|
|            | Aligarh                       | Mill Quality Loose  | 2050 | 2050 | Unch |
| Punjab     | Khanna                        | Mill Quality Loose  | 2070 | 2120 | -50  |
|            | Ludhiana (Jagraon)            | Mill Delivery       | NA   | NA   | -    |
| Haryana    | Sirsa                         | Mill Delivery loose | 2150 | 2150 | 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       | 1980 | 1980 | Unch |
| FOR        | Kandla (Rajasthan-Rajkot)     | Mill Quality        | NA   | NA   | -    |
|            | Gandhidham (Rajasthan-Rajkot) | Mill Quality        | NA   | NA   | -    |

| Centre    | Market | Variety      | Prices (Rs/Qtl) |           | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
|           |        |              | 21-Dec-19       | 20-Dec-19 |        |
| Gujarat   | Rajkot | Lokwan       | 2300            | 2275      | 25     |
| M.P.      | Indore | Lokwan       | 2600            | Closed    | -      |
|           | Bhopal | Lokwan       | 2300            | Closed    | -      |
|           | Bina   | Sarbati 306  | 2500            | Closed    | -      |
| Rajasthan | Kota   | Lokwan Bilty | 2175            | 2175      | Unch   |
|           | Baran  | Lokwan       | NA              | NA        | -      |

### Wheat Arrivals in Key Centers:

| Centre  | Market        | Variety            | Arrivals (Bags/Qtl) |           | Change |
|---------|---------------|--------------------|---------------------|-----------|--------|
|         |               |                    | 21-Dec-19           | 20-Dec-19 |        |
| Delhi   | Lawrence Road | Mill Delivery      | 4000                | 6500      | -2500  |
|         | Narella       | Mill Quality Loose | 200                 | 200       | Unch   |
|         | Nazafgarh     | Mill Quality Loose | NA                  | NA        | -      |
| Gujarat | Rajkot        | Mill Quality Loose | 500                 | 600       | -100   |
|         | Dhrol         | Mill Quality Loose | 19                  | 66        | -47    |

|                  |                   |                    |      |        |      |
|------------------|-------------------|--------------------|------|--------|------|
| <b>M.P.</b>      | Indore            | Mill Quality Loose | 4000 | Closed | -    |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 3000 | 3000   | Unch |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 700  | 700    | Unch |
|                  | Mathura           | Mill Quality Loose | 230  | 260    | -30  |
|                  | Kosi              | Mill Quality Loose | 400  | 150    | 250  |
|                  | Hathras           | Mill Quality Loose | 150  | 150    | Unch |
|                  | Aligarh           | Mill Quality Loose | 150  | 150    | Unch |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | 300  | 700    | -400 |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NA   | NA     | -    |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 200  | 200    | Unch |
|                  | Hodal             | Mill Quality Loose | 50   | 50     | Unch |
|                  | Bhiwani           | Mill Quality Loose | 700  | 1000   | -300 |
|                  | Karnal            | Mill Delivery      | NA   | NA     | -    |
|                  | Panipat           | Mill Quality Loose | NA   | NA     | -    |

| Wheat Products Delhi         | 21-Dec-19 | 20-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: 20.12.2019 |        |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                        | Open   | High   | Low    | Close  | Change |
| <b>20-Mar</b>                         | 545.25 | 549.00 | 538.75 | 542.5  | -3.00  |
| <b>20-May</b>                         | 548.75 | 552.25 | 542.50 | 546.00 | -2.75  |
| <b>20-Jul</b>                         | 550.50 | 553.25 | 544.75 | 548.75 | -2.00  |
| <b>20-Sep</b>                         | 555.75 | 558.25 | 549.50 | 553.75 | -2.00  |
| <b>20-Dec</b>                         | 565.00 | 566.00 | 558.25 | 562.25 | -2.25  |
| <b>21-Mar</b>                         | 571.75 | 573.50 | 566.50 | 570.25 | -2.75  |

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