

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 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:

According to the National Statistics Office, Germany's winter wheat sown area for the 2020 harvest has been reduced by 7.1pc on the year to about 2.83 million hectares. Farmers had turned to other crops such as rapeseed.

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:24.12.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Jan	0	2164	2164	2164	2164			40	0
20-Feb	0	2174	2174	2174	2174			10	0
20-Mar	0	2184	2184	2184	2184				

Spread	Dec-19	Jan-20	Feb-20
Spot Narella	2230		
20-Jan	-66		
20-Feb		10	
20-Mar			10

Stocks	Demat	In-Process	Total	EDD
	23.Dec.19	23.Dec.19	23.Dec.19	23.Dec.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	967	-	967	967
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 24.12.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Dec-19	23-Dec-19	
Delhi	Lawrence Road	Mill Delivery	2290	2280	10
	Narella	Mill Quality Loose	2230	2225	5
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Delivery	2260	2240	20
	Ahmedabad	Mill Delivery	2300	2300	Unch
	Surat	Mill Delivery	2380	2380	Unch
	Dhrol	Mill Quality Loose	2420	2505	-85
M.P.	Indore	Mill Delivery	2260	2260	Unch
	Bhopal	Mill Quality Loose	2150	2150	Unch
Rajasthan	Kota	Mill Quality Loose	2050	2040	10
		Mill Delivery	2150	2140	10
U.P.	Kanpur	Mill Delivery	2110	2110	Unch
	Mathura	Mill Quality Loose	2025	2020	5
	Kosi	Mill Quality Loose	2125	2100	25
	Hathras	Mill Quality Loose	2100	2070	30

	Aligarh	Mill Quality Loose	2050	2050	Unch
Punjab	Khanna	Mill Quality Loose	2100	2100	Unch
	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	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
			24-Dec-19	23-Dec-19	
Gujarat	Rajkot	Lokwan	2300	2325	-25
M.P.	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2350	2300	50
	Bina	Sarbati 306	2600	2500	100
Rajasthan	Kota	Lokwan Bilty	2200	2150	50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Dec-19	23-Dec-19	
Delhi	Lawrence Road	Mill Delivery	4500	4500	Unch
	Narella	Mill Quality Loose	150	200	-50
	Nazafgarh	Mill Quality Loose	NA	NA	-
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	28	27	1

M.P.	Indore	Mill Quality Loose	3000	4500	-1500
Rajasthan	Kota	Mill Quality	3500	3000	500
U.P.	Kanpur	Mill Quality Loose	500	300	200
	Mathura	Mill Quality Loose	220	230	-10
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	60	250	-190
	Aligarh	Mill Quality Loose	500	500	Unch
Punjab	Khanna	Mill Quality Loose	600	700	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	1000	700	300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	24-Dec-19	23-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: 23.12.2019					
Contract Month	Open	High	Low	Close	Change
20-Mar	543.00	547.00	538.75	539.50	-2.75
20-May	546.75	550.50	542.75	543.75	-2.25
20-Jul	548.25	553.25	546.00	547.00	-1.75
20-Sep	554.00	558.00	552.25	552.75	-1.00
20-Dec	563.00	566.50	561.75	562.25	Unch
21-Mar	570.00	573.25	570.00	571.25	1.00

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