

### Wheat Domestic Fundamentals:

**As per latest update, area sown until 02nd January-20 is 312.81 lakh hectares compared to 286.23 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, Haryana, Maharashtra and Rajasthan till date.

**Higher area coverage and favourable weather condition throughout growing regions are likely to ensure good crop size of wheat** this season. However cold wave in some pockets of Punjab and Haryana has affected growth of plants. It is considered to be usual features in every season. With opening of weather in many parts of wheat growing belt; situation is likely to improve in coming weeks. If rains occur in central north and west India in next one week, it would ensure better grow for standing crop. As of now overall situation is normal and bumper crop seems on the card once again.

**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 increased by 0.76 percent to Rs. 2236.04 per quintal during the week ended 28th December 2019.** Wheat average price were ruling at Rs 2219.24 per quintal during 16-23 December 2019. As compared to prices in the week 24-31 December 2018, the prices are higher by 8.30 percent. Prices are expected to remain steady to firm in coming days amid good demand in the domestic market.

**The Food Ministry of India has decided to hike the wheat base price to Rs. 2245/100 kg during January –March** quarter from the current base price of Rs.2190/100 kg. The government started offering wheat at a base price of 2080 rupees per 100 kg in Apr-Jun and subsequently, raised it by 55 rupees every quarter. This year's base price under the auction includes a 50% interest rate and warehouse charges. In non-wheat producing states, the rail freight from Ludhiana is added to the base price.

**According to FCI, wheat stocks in the central pool as on 1st December 2019, is reported at 351 lakh metric tonnes, which is at seven-year high.** Stocks have increased amid 'open-ended' procurement in recent years, as a result of which the Centre has been procuring a third of the wheat output, against about 25 per cent some years back. 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 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:

**After record-breaking rains ruined upper Midwest wheat harvests in U.S., drought now threatens the wheat grown in farther south.** Lack of rain during the fall left farmers in Kansas, Nebraska, Oklahoma and Texas (where the majority of the nation's winter wheat is grown) struggling to get their plants to grow.

**Wheat crop sowing in Pakistan during current sowing season had witnessed about 1.115 percent increase** as compared to cultivation during same period previous year as crop had been cultivated over an area of 7.884 million hectares as compared to the sowing of 7.797 million hectares of same period last year. According to the initial data received from the provincial governments, during current sowing season (2019-20), by the end of last month crop sowing had been completed over 87 percent area as against the set targets.

**Ukraine has sown more wheat than expected this year. However dry weather has damaged some fields** due for harvesting next year. As of Dec. 1, farmers planted 6.4 million hectares of wheat for the next season crop, about 8% more than the area estimated by the government's agriculture portal. Compared with last year, the acreage is about the same. This is above market expectation. Winter wheat seeds need moisture to grow into young plants that are robust enough to endure the cold season. The winter crop makes up more than 90% of Ukraine's total wheat harvest.

**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.

| Wheat Futures Contract: NCDEX Price |     |      |      |      |       |        | Date: 06.01.2020 at 5:00 PM |    |                       |
|-------------------------------------|-----|------|------|------|-------|--------|-----------------------------|----|-----------------------|
| Contract Month                      | +/- | Open | High | Low  | Close | Volume | Ch. From previous day       | OI | Ch. From previous day |
| 20-Jan                              | 0   | 2264 | 2264 | 2264 | 2264  | 10     | 10                          | 40 | 0                     |
| 20-Feb                              | 0   | 2275 | 2275 | 2275 | 2275  |        |                             | 10 | 0                     |
| 20-Mar                              | 0   | 2285 | 2285 | 2285 | 2285  |        |                             |    |                       |

| Spread       | Jan-19 | Feb-20 | Mar-20 |
|--------------|--------|--------|--------|
| Spot Narella | 2280   |        |        |
| 20-Jan       | -16    |        |        |
| 20-Feb       |        | 11     |        |
| 20-Mar       |        |        | 10     |

| Stocks | Demat    | In-Process | Total    | EDD       |
|--------|----------|------------|----------|-----------|
|        | 4.Jan.20 | 4.Jan.20   | 4.Jan.20 | 30.Dec.19 |
| Delhi  | -        | -          | -        | -         |
| Itarsi | -        | -          | -        | -         |
| Kanpur | -        | -          | -        | -         |
| Kota   | 20       | -          | 20       | 967       |
| Baran  | -        | -          | -        | -         |

## Wheat Daily Prices and Arrivals on 06.01.2020

| Centre    | Market        | Variety            | Prices (Rs/Qtl) |          | Change |
|-----------|---------------|--------------------|-----------------|----------|--------|
|           |               |                    | 6-Jan-20        | 4-Jan-20 |        |
| Delhi     | Lawrence Road | Mill Delivery      | 2370            | 2360     | 10     |
|           | Narella       | Mill Quality Loose | 2280            | 2270     | 10     |
|           | Nazafgarh     | Mill Quality Loose | 2225            | 2250     | -25    |
| Gujarat   | Rajkot        | Mill Delivery      | 2350            | 2350     | Unch   |
|           | Ahmedabad     | Mill Delivery      | 2400            | 2400     | Unch   |
|           | Surat         | Mill Delivery      | 2475            | 2450     | 25     |
|           | Dhrol         | Mill Quality Loose | 2480            | 2605     | -125   |
| M.P.      | Indore        | Mill Delivery      | 2350            | 2450     | -100   |
|           | Bhopal        | Mill Quality Loose | 2250            | 2250     | Unch   |
| Rajasthan | Kota          | Mill Quality Loose | 2215            | 2200     | 15     |
|           |               | Mill Delivery      | 2325            | 2325     | Unch   |
| U.P.      | Kanpur        | Mill Delivery      | 2240            | 2230     | 10     |
|           | Mathura       | Mill Quality Loose | NA              | 2150     | -      |
|           | Kosi          | Mill Quality Loose | 2220            | 2200     | 20     |
|           | Hathras       | Mill Quality Loose | 2150            | 2250     | -100   |

|            |                               |                     |      |      |      |
|------------|-------------------------------|---------------------|------|------|------|
|            | Aligarh                       | Mill Quality Loose  | 2150 | 2150 | Unch |
| Punjab     | Khanna                        | Mill Quality Loose  | 2130 | 2130 | Unch |
|            | Ludhiana (Jagraon)            | Mill Delivery       | NA   | NA   | -    |
| Haryana    | Sirsa                         | Mill Delivery loose | 2175 | 2170 | 5    |
|            | Hodal                         | Mill Delivery       | NA   | NA   | -    |
|            | Bhiwani                       | Mill Quality Loose  | 2230 | 2210 | 20   |
|            | Karnal                        | Mill Delivery       | NA   | NA   | -    |
|            | Panipat                       | Mill Quality Loose  | NA   | NA   | -    |
| Tamil Nadu | Chennai                       | Mill Quality        | 2600 | 2500 | 100  |
|            | Madurai                       | Mill Quality        | 2657 | 2557 | 100  |
|            | Coimbatore                    | Mill Quality        | 2657 | 2557 | 100  |
| Bihar      | Khagariya                     | Mill Delivery       | 2200 | 2200 | Unch |
|            | Muzaffarpur                   | Mill Delivery       | 2200 | 2150 | 50   |
| FOR        | Kandla (Rajasthan-Rajkot)     | Mill Quality        | NA   | NA   | -    |
|            | Gandhidham (Rajasthan-Rajkot) | Mill Quality        | NA   | NA   | -    |

| Centre    | Market | Variety      | Prices (Rs/Qtl) |          | Change |
|-----------|--------|--------------|-----------------|----------|--------|
|           |        |              | 6-Jan-20        | 4-Jan-20 |        |
| Gujarat   | Rajkot | Lokwan       | 2400            | 2400     | Unch   |
| M.P.      | Indore | Lokwan       | 2600            | 2600     | Unch   |
|           | Bhopal | Lokwan       | 2400            | 2400     | Unch   |
|           | Bina   | Sarbati 306  | 2500            | 2500     | Unch   |
| Rajasthan | Kota   | Lokwan Bilty | 2450            | 2375     | 75     |
|           | Baran  | Lokwan       | NA              | NA       | -      |

### Wheat Arrivals in Key Centers:

| Centre  | Market        | Variety            | Arrivals (Bags/Qtl) |          | Change |
|---------|---------------|--------------------|---------------------|----------|--------|
|         |               |                    | 6-Jan-20            | 4-Jan-20 |        |
| Delhi   | Lawrence Road | Mill Delivery      | 3000                | 5000     | -2000  |
|         | Narella       | Mill Quality Loose | 200                 | 150      | 50     |
|         | Nazafgarh     | Mill Quality Loose | 100                 | 70       | 30     |
| Gujarat | Rajkot        | Mill Quality Loose | 600                 | 400      | 200    |
|         | Dhrol         | Mill Quality Loose | 12                  | 20       | -8     |

|                  |                   |                    |      |      |              |
|------------------|-------------------|--------------------|------|------|--------------|
| <b>M.P.</b>      | Indore            | Mill Quality Loose | 3000 | 2500 | <b>500</b>   |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 1200 | 2500 | <b>-1300</b> |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 800  | 700  | <b>100</b>   |
|                  | Mathura           | Mill Quality Loose | NA   | 180  | -            |
|                  | Kosi              | Mill Quality Loose | 100  | 100  | <b>Unch</b>  |
|                  | Hathras           | Mill Quality Loose | 250  | 550  | <b>-300</b>  |
|                  | Aligarh           | Mill Quality Loose | 200  | 200  | <b>Unch</b>  |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | 50   | 600  | <b>-550</b>  |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NA   | NA   | -            |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 100  | 200  | <b>-100</b>  |
|                  | Hodal             | Mill Quality Loose | 50   | 70   | <b>-20</b>   |
|                  | Bhiwani           | Mill Quality Loose | 700  | 800  | <b>-100</b>  |
|                  | Karnal            | Mill Delivery      | NA   | NA   | -            |
|                  | Panipat           | Mill Quality Loose | NA   | NA   | -            |

| <b>Wheat Products Delhi</b>  | <b>6-Jan-20</b> | <b>4-Jan-20</b> | <b>Change</b> |
|------------------------------|-----------------|-----------------|---------------|
| Atta (50kg) Ordinary         | 1200            | 1200            | <b>Unch</b>   |
| Maida Grade 1 (50KG)         | 1400            | 1400            | <b>Unch</b>   |
| Suji (50kg)                  | 1335            | 1335            | <b>Unch</b>   |
| Chokar (50 kg)               | 932             | 932             | <b>Unch</b>   |
| Chokar (34 kg)               | 634             | 634             | <b>Unch</b>   |
| Chakki Atta (50kg)           | 1362            | 1362            | <b>Unch</b>   |
| Chakki Atta (50kg) Special   | 1387            | 1387            | <b>Unch</b>   |
| Chakki Atta (90kg) Superfine | 2511            | 2511            | <b>Unch</b>   |
| Chakki Atta (50kg) Superfine | 1395            | 1395            | <b>Unch</b>   |

| <b>Wheat (CBOT) Future Price: 03.01.2020</b> |             |             |            |              |               |
|--|-------------|-------------|------------|--------------|---------------|
| <b>Contract Month</b>                        | <b>Open</b> | <b>High</b> | <b>Low</b> | <b>Close</b> | <b>Change</b> |
| <b>20-Mar</b>                                | 560.75      | 562         | 551.75     | 554.5        | <b>-5.75</b>  |
| <b>20-May</b>                                | 564         | 564.75      | 554.75     | 557.75       | <b>-5.50</b>  |
| <b>20-Jul</b>                                | 565.5       | 566.75      | 557.5      | 560.5        | <b>-4.50</b>  |
| <b>20-Sep</b>                                | 571         | 573         | 564        | 567.25       | <b>-3.75</b>  |
| <b>20-Dec</b>                                | 580.5       | 582.25      | 573.5      | 576.5        | <b>-3.75</b>  |
| <b>21-Mar</b>                                | 588.75      | 589.5       | 582.25     | 584.75       | <b>-3.75</b>  |

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