

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:

Japan's Ministry of Agriculture sought 106,125 metric tonnes of food-quality wheat from U.S., Canada and Australia. The tender will close on Thursday.

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.

Wheat Futures Contract: NCDEX Price							Date: 07.01.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Jan	0	2265	2265	2265	2265			40	0
20-Feb	0	2276	2276	2276	2276			10	0
20-Mar	0	2286	2286	2286	2286				

Spread	Jan-19	Feb-20	Mar-20
Spot Narella	2260		
20-Jan	5		
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 07.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Jan-20	6-Jan-20	
Delhi	Lawrence Road	Mill Delivery	2370	2370	Unch
	Narella	Mill Quality Loose	2260	2280	-20
	Nazafgarh	Mill Quality Loose	2225	2225	Unch
Gujarat	Rajkot	Mill Delivery	2360	2350	10
	Ahmedabad	Mill Delivery	2430	2400	30
	Surat	Mill Delivery	2500	2475	25
	Dhrol	Mill Quality Loose	2505	2480	25
M.P.	Indore	Mill Delivery	2350	2350	Unch
	Bhopal	Mill Quality Loose	2225	2250	-25
Rajasthan	Kota	Mill Quality Loose	2200	2215	-15
		Mill Delivery	2340	2325	15
U.P.	Kanpur	Mill Delivery	2235	2240	-5
	Mathura	Mill Quality Loose	2170	NA	-
	Kosi	Mill Quality Loose	2220	2220	Unch
	Hathras	Mill Quality Loose	2200	2150	50

	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	2175	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2240	2230	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2600	2600	Unch
	Madurai	Mill Quality	2657	2657	Unch
	Coimbatore	Mill Quality	2657	2657	Unch
Bihar	Khagariya	Mill Delivery	2200	2200	Unch
	Muzaffarpur	Mill Delivery	2200	2200	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Jan-20	6-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	2375	2450	-75
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Jan-20	6-Jan-20	
Delhi	Lawrence Road	Mill Delivery	8000	3000	5000
	Narella	Mill Quality Loose	150	200	-50
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	600	600	Unch
	Dhrol	Mill Quality Loose	29	12	17

M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	2500	1200	1300
U.P.	Kanpur	Mill Quality Loose	700	800	-100
	Mathura	Mill Quality Loose	240	NA	-
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	400	250	150
	Aligarh	Mill Quality Loose	300	200	100
Punjab	Khanna	Mill Quality Loose	NA	50	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	700	-300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	7-Jan-20	6-Jan-20	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: 06.01.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	552.50	555.25	546.75	550.00	-4.50
20-May	555.50	558.25	550.50	553.75	-4.00
20-Jul	557.50	560.75	553.50	557.00	-3.50
20-Sep	564.00	567.25	560.25	563.75	-3.50
20-Dec	575.00	576.75	569.75	573.50	-3.00
21-Mar	582.00	584.25	578.25	581.50	-3.25

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> © 2020 Indian Agribusiness Systems Ltd.