

### 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, Forestry and Fisheries (MAFF) seeks 120,000 tonnes of feed wheat** to be loaded by February 15 and arrive in Japan by March 19, via a simultaneous buy and sell (SBS) auction that will be held on Jan. 15.

**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.

Wheat Futures Contract: NCDEX Price							Date: 08.01.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Jan	0	2285	2285	2285	2285			40	0
20-Feb	0	2296	2296	2296	2296			10	0
20-Mar	0	2306	2306	2306	2306				

Spread	Jan-19	Feb-20	Mar-20
Spot Narella	2260		
20-Jan	25		
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 08.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Jan-20	7-Jan-20	
Delhi	Lawrence Road	Mill Delivery	2370	2370	Unch
	Narella	Mill Quality Loose	Closed	2260	-
	Nazafgarh	Mill Quality Loose	Closed	2225	-
Gujarat	Rajkot	Mill Delivery	2360	2360	Unch
	Ahmedabad	Mill Delivery	2460	2430	30
	Surat	Mill Delivery	2500	2500	Unch
	Dhrol	Mill Quality Loose	2415	2505	-90
M.P.	Indore	Mill Delivery	2350	2350	Unch
	Bhopal	Mill Quality Loose	2225	2225	Unch
Rajasthan	Kota	Mill Quality Loose	2200	2200	Unch
		Mill Delivery	2325	2340	-15
U.P.	Kanpur	Mill Delivery	2240	2235	5
	Mathura	Mill Quality Loose	2160	2170	-10
	Kosi	Mill Quality Loose	NR	2220	-
	Hathras	Mill Quality Loose	2150	2200	-50

	Aligarh	Mill Quality Loose	Closed	2150	-
<b>Punjab</b>	Khanna	Mill Quality Loose	NA	2130	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	2175	2175	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2250	2240	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2600	2600	Unch
	Madurai	Mill Quality	2657	2657	Unch
	Coimbatore	Mill Quality	2657	2657	Unch
<b>Bihar</b>	Khagariya	Mill Delivery	2200	2200	Unch
	Muzaffarpur	Mill Delivery	Closed	2200	-
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Jan-20	7-Jan-20	
<b>Gujarat</b>	Rajkot	Lokwan	2400	2400	Unch
<b>M.P.</b>	Indore	Lokwan	2600	2600	Unch
	Bhopal	Lokwan	2400	2400	Unch
	Bina	Sarbati 306	Closed	2500	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2450	2375	75
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Jan-20	7-Jan-20	
<b>Delhi</b>	Lawrence Road	Mill Delivery	3000	8000	-5000
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	600	600	Unch
	Dhrol	Mill Quality Loose	10	29	-19

<b>M.P.</b>	Indore	Mill Quality Loose	2500	2000	<b>500</b>
<b>Rajasthan</b>	Kota	Mill Quality	3000	2500	<b>500</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	100	700	<b>-600</b>
	Mathura	Mill Quality Loose	260	240	<b>20</b>
	Kosi	Mill Quality Loose	NR	100	-
	Hathras	Mill Quality Loose	300	400	<b>-100</b>
	Aligarh	Mill Quality Loose	Closed	300	-
<b>Punjab</b>	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	100	100	<b>Unch</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	200	400	<b>-200</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

<b>Wheat Products Delhi</b>	<b>8-Jan-20</b>	<b>7-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: 07.01.2020</b>					
<b>Contract Month</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Change</b>
<b>20-Mar</b>	549.50	551.00	545.50	550.25	<b>0.25</b>
<b>20-May</b>	553.50	554.25	549.25	553.25	<b>-0.50</b>
<b>20-Jul</b>	556.25	557.50	552.50	556.25	<b>-0.75</b>
<b>20-Sep</b>	563.00	564.00	559.50	563.00	<b>-0.75</b>
<b>20-Dec</b>	573.00	574.00	569.75	573.00	<b>-0.50</b>
<b>21-Mar</b>	582.00	582.00	578.00	581.00	<b>-0.50</b>

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