

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.

There have been good rains in Karnal during the last few days, which is conducive for the wheat crop. However experts have advised farmers to take precaution regarding yellow crust. Farmers are advised to drain off excessive water, which might affect production if allowed to stagnate in the fields.

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 Crop of India (FCI) has proposed reducing the offer price of wheat under the open market sale scheme to 2,145 rupees per 100 kg from 2,245 rupees to make the central pool stock more attractive for bulk users according to a senior government official. It has also suggested offering lustre-lost wheat procured last year at 2,080 rupees per 100 kg. The decision is yet to be approved by the ministry.

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:

According to Egypt's General Authority for Supply commodities, the government has purchased 300,000 tons of wheat from Russia, Ukraine and Romania through global tenders. Egypt is due to receive the new shipments of wheat between February 18 and 28, according to official sources.

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: 09.01.2020 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	2295	2295	2295	2295			10	0
20-Mar	0	2305	2305	2305	2305				

Spread	Jan-19	Feb-20	Mar-20
Spot Narella	2280		
20-Jan	5		
20-Feb		10	
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 09.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jan-20	8-Jan-20	
Delhi	Lawrence Road	Mill Delivery	2365	2370	-5
	Narella	Mill Quality Loose	2280	Closed	-
	Nazafgarh	Mill Quality Loose	NA	Closed	-
Gujarat	Rajkot	Mill Delivery	2370	2360	10
	Ahmedabad	Mill Delivery	2440	2460	-20
	Surat	Mill Delivery	2490	2500	-10
	Dhrol	Mill Quality Loose	2545	2415	130
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	2325	Unch
U.P.	Kanpur	Mill Delivery	2230	2240	-10
	Mathura	Mill Quality Loose	2155	2160	-5
	Kosi	Mill Quality Loose	2200	2200	Unch
	Hathras	Mill Quality Loose	2200	2150	50

	Aligarh	Mill Quality Loose	2150	Closed	-
Punjab	Khanna	Mill Quality Loose	2150	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2200	2175	25
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2240	2250	-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	Closed	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Jan-20	8-Jan-20	
Delhi	Lawrence Road	Mill Delivery	7000	3000	4000
	Narella	Mill Quality Loose	100	Closed	-
	Nazafgarh	Mill Quality Loose	NA	Closed	-
Gujarat	Rajkot	Mill Quality Loose	450	600	-150
	Dhrol	Mill Quality Loose	20	10	10

M.P.	Indore	Mill Quality Loose	2000	2500	-500
Rajasthan	Kota	Mill Quality	1500	3000	-1500
U.P.	Kanpur	Mill Quality Loose	500	100	400
	Mathura	Mill Quality Loose	260	260	Unch
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	50	300	-250
	Aligarh	Mill Quality Loose	200	Closed	-
Punjab	Khanna	Mill Quality Loose	400	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	200	200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	9-Jan-20	8-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: 08.01.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	549.50	555.75	545.25	552.75	2.50
20-May	552.25	558.75	548.50	556.25	3.00
20-Jul	554.75	561.75	551.75	558.50	2.25
20-Sep	562.50	567.75	558.50	565.25	2.25
20-Dec	571.50	577.00	569.50	575.00	2.00
21-Mar	579.25	584.00	578.25	582.25	1.25

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