

Wheat Domestic Fundamentals:

As per latest update, area sown until 10th January-20 is 326.46 lakh hectares compared to 293.81 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, Rajasthan and Uttar Pradesh 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 the National Agricultural Statistics Service, Kansas farmers have seeded an estimated 6.9 million acres into winter wheat this season. The state's winter wheat acreage is equal to the area planted a year earlier. The agency also reported that about 394 million bushels of wheat is now stored in the state, down 13 percent from the amount in storage at this time a year ago.

Soft wheat exports from French ports reached a seven-year high in December during the on-going transportation strikes that saw loadings at several ports halted intermittently for several days. The volume of soft wheat exported by boat last month rose to 1.34 MMT, the highest for December since 2013 when the country exported 1.41 MMT. Algeria remained the top export destination for French wheat in December, importing 477,000 tonnes, down from last year's total of 563,000 tonnes.

According to the latest supply and demand report released by the USDA, the outlook for 2019/20 U.S. wheat is for stable supplies, increased feed and residual use, and lower stocks. Feed and residual use is raised 10 million bushels on lower-than-expected second-quarter stocks reported in latest NASS Grain Stocks report. Ending stocks are now projected at 965 million bushels, down 9 million from the previous report.

According to the latest quarterly grains stocks report released by NASS, all wheat stored in all positions on December 1, 2019 totaled 1.83 billion bushels, down 9 percent from a year ago. On-farm stocks are estimated at 519 million bushels, up 3 percent from last December. Off-farm stocks, at 1.31 billion bushels, are down 13 percent from a year ago. The September - November 2019 indicated disappearance is 512 million bushels, 35 percent above the same period a year earlier.

Wheat Futures Contract: NCDEX Price							Date: 13.01.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Jan	-10	2270	2290	2260	2260	30	30	10	-30
20-Feb	0	2281	2281	2281	2281			10	0
20-Mar	0	2291	2291	2291	2291				

Spread	Jan-19	Feb-20	Mar-20
Spot Narella	2280		
20-Jan	-20		
20-Feb		21	
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 13.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jan-20	11-Jan-20	
Delhi	Lawrence Road	Mill Delivery	2340	2340	Unch
	Narella	Mill Quality Loose	2280	2280	Unch
	Nazafgarh	Mill Quality Loose	2225	2225	Unch
Gujarat	Rajkot	Mill Delivery	2340	2340	Unch
	Ahmedabad	Mill Delivery	2440	2440	Unch
	Surat	Mill Delivery	2490	2500	-10
	Dhrol	Mill Quality Loose	2460	2560	-100
M.P.	Indore	Mill Delivery	2375	2375	Unch
	Bhopal	Mill Quality Loose	2225	2225	Unch
Rajasthan	Kota	Mill Quality Loose	2200	2175	25
		Mill Delivery	2310	2300	10
U.P.	Kanpur	Mill Delivery	2230	2230	Unch
	Mathura	Mill Quality Loose	2160	2160	Unch
	Kosi	Mill Quality Loose	2200	2200	Unch
	Hathras	Mill Quality Loose	2150	2175	-25

	Aligarh	Mill Quality Loose	2220	2170	50
Punjab	Khanna	Mill Quality Loose	2180	2180	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2200	2200	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2250	2250	Unch
	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
			13-Jan-20	11-Jan-20	
Gujarat	Rajkot	Lokwan	2400	2400	Unch
M.P.	Indore	Lokwan	2650	2650	Unch
	Bhopal	Lokwan	2350	2350	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2375	2375	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jan-20	11-Jan-20	
Delhi	Lawrence Road	Mill Delivery	5000	6000	-1000
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	200	50	150
Gujarat	Rajkot	Mill Quality Loose	700	600	100
	Dhrol	Mill Quality Loose	20	19	1

M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	1000	800	200
	Mathura	Mill Quality Loose	240	200	40
	Kosi	Mill Quality Loose	100	150	-50
	Hathras	Mill Quality Loose	250	100	150
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	NA	700	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	13-Jan-20	11-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: 10.01.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	562.75	568.50	555.75	564.50	2.25
20-May	565.25	570.50	559.00	566.50	1.25
20-Jul	567.25	572.00	561.00	568.25	1.00
20-Sep	573.00	577.25	566.75	573.75	0.25
20-Dec	582.00	585.25	575.00	582.00	-0.25
21-Mar	588.00	591.00	582.50	588.00	-0.75

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