

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:

Britain's wheat exports in November were 67,706 tonnes compared to previous month's 257,338 tonnes. Total wheat exports for 2019-20, which started July 1, were 741,546 tonnes, up from 134,209 tonnes during the same period previous year. Wheat exports are expected to increase this season, with production rising nearly 20% to a four-year high of 16.22 MMT according to trade sources. Imports in November declined to 58,242 tonnes compared to 74,989 tonnes in the previous month. Cumulative wheat imports for the season are down to 435,743 tonnes compared to 1.04 MMT in the same period a year ago.

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.

Wheat Futures Contract: NCDEX Price							Date: 14.01.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Jan	0	2280	2290	2260	2280		0	10	0
20-Feb	37	2309	2309	2309	2309	10	10	20	10
20-Mar	0	2291	2291	2291	2291				

Spread	Jan-19	Feb-20	Mar-20
Spot Narella	2280		
20-Jan	0		
20-Feb		29	
20-Mar			-18

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 14.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jan-20	13-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	Closed	2340	-
	Ahmedabad	Mill Delivery	Closed	2440	-
	Surat	Mill Delivery	Closed	2490	-
	Dhrol	Mill Quality Loose	Closed	2460	-
M.P.	Indore	Mill Delivery	2300	2375	-75
	Bhopal	Mill Quality Loose	Closed	2225	-
Rajasthan	Kota	Mill Quality Loose	2200	2200	Unch
		Mill Delivery	2310	2310	Unch
U.P.	Kanpur	Mill Delivery	Closed	2230	-
	Mathura	Mill Quality Loose	NA	2160	-
	Kosi	Mill Quality Loose	2200	2200	Unch
	Hathras	Mill Quality Loose	2150	2150	Unch

	Aligarh	Mill Quality Loose	2125	2220	-95
Punjab	Khanna	Mill Quality Loose	NA	2180	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2200	2200	Unch
	Hodal	Mill Delivery	Closed	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	2200	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jan-20	13-Jan-20	
Gujarat	Rajkot	Lokwan	Closed	2400	-
M.P.	Indore	Lokwan	2600	2650	-50
	Bhopal	Lokwan	Closed	2350	-
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2375	2375	Unch
	Baran	Lokwan	Closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Jan-20	13-Jan-20	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	Closed	700	-
	Dhrol	Mill Quality Loose	Closed	20	-

M.P.	Indore	Mill Quality Loose	2500	2000	500
Rajasthan	Kota	Mill Quality	400	2500	-2100
U.P.	Kanpur	Mill Quality Loose	Closed	1000	-
	Mathura	Mill Quality Loose	NA	240	-
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	150	250	-100
	Aligarh	Mill Quality Loose	150	300	-150
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	Closed	50	-
	Bhiwani	Mill Quality Loose	600	200	400
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	14-Jan-20	13-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: 13.01.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	565.25	565.75	558.50	562.25	-2.25
20-May	567.00	567.50	560.75	564.75	-1.75
20-Jul	569.00	569.00	562.25	566.75	-1.50
20-Sep	574.00	574.00	567.75	572.75	-1.00
20-Dec	582.25	582.50	578.00	581.75	-0.25
21-Mar	586.50	589.00	584.50	589.00	1.00

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.