

Wheat Domestic Fundamentals:

As per latest update, area sown until 17th January-20 is 330.20 lakh hectares compared to 296.98 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, Maharashtra and Rajasthan till date.

The Agriculture and Farmers' Welfare Department has issued an advisory for the wheat farmers in Jalandhar against Yellow Rust disease in the crop and also asked farmers to avoid unnecessary use of the urea. The yellow rust is a disease that causes loss in crop yield and the disease appears as yellow coloured, powdery linear stripes on the leaves.

As per market sources, wheat stock in central pool as on 1st January'20 stood at 327.96 lakh tonnes down by 6.76% compared to last month. This quantity is higher by around 20.92% 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 3.10 percent to Rs. 2380.46 per quintal during the week ended 11th January 2020. Wheat average price were ruling at Rs 2308.81 per quintal during 01-07 January 2020. As compared to prices in the week 08-15 January 2019, the prices are higher by 11.11 percent. Prices are expected to continue steady to firm tone 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 164.4 in November -2019 to 165.7 in December -2019. Monthly wheat inflation has increased by 0.79 percent in December -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:

Tunisia's state grains agency has issued an international tender to purchase around 117,000 tonnes of durum wheat and 100,000 tonnes of soft wheat according to European traders. The tender closed on Friday. The durum wheat was sought in four 25,000 tonnes consignments and one of 17,000 tonnes. The soft wheat was sought in four consignments of 25,000 tonnes. Durum shipment was sought between Feb. 15 and May 5 and Soft wheat shipment was sought between Feb. 10 and March 25 also depending on origin.

The area sown with soft wheat for this year's harvest in France is estimated to have declined by 10% compared with 2019 to a 19-year low after heavy rain disrupted field work. Acreage is estimated at 4.47 million hectares compared to 4.97 hectares previous year.

Japan's Ministry of Agriculture sought 117,831 metric tonnes of food-quality wheat from U.S., Canada and Australia. The tender will close on Thursday.

According to the latest data released by the Agriculture Ministry, land under wheat cultivation in Iran has reached 6 million hectares in the current cultivation season (started late September of 2019). This almost equals the area under cultivation last year, which means production will likely remain the same as last year.

Wheat Futures Contract: NCDEX Price							Date: 17.01.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Jan	0	2269	2269	2269	2269	10	10	10	0
20-Feb	0	2279	2279	2279	2279	10	10	20	0
20-Mar	0	2289	2289	2289	2289				

Spread	Jan-19	Feb-20	Mar-20
Spot Narella	2250		
20-Jan	19		
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 17.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Jan-20	16-Jan-20	
Delhi	Lawrence Road	Mill Delivery	2340	2350	-10
	Narella	Mill Quality Loose	2250	2270	-20
	Nazafgarh	Mill Quality Loose	2200	2225	-25
Gujarat	Rajkot	Mill Delivery	2330	2340	-10
	Ahmedabad	Mill Delivery	2410	2440	-30
	Surat	Mill Delivery	2460	2500	-40
	Dhrol	Mill Quality Loose	2530	2550	-20
M.P.	Indore	Mill Delivery	2350	2300	50
	Bhopal	Mill Quality Loose	2225	2225	Unch
Rajasthan	Kota	Mill Quality Loose	2200	2200	Unch
		Mill Delivery	2325	2300	25
U.P.	Kanpur	Mill Delivery	2210	2200	10
	Mathura	Mill Quality Loose	2180	2200	-20
	Kosi	Mill Quality Loose	2200	2200	Unch
	Hathras	Mill Quality Loose	NA	NR	-

	Aligarh	Mill Quality Loose	2125	NA	-
Punjab	Khanna	Mill Quality Loose	2150	2160	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2190	2200	-10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2325	2320	5
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2625	2600	25
	Madurai	Mill Quality	2682	2657	25
	Coimbatore	Mill Quality	2682	2657	25
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
			17-Jan-20	16-Jan-20	
Gujarat	Rajkot	Lokwan	2375	2400	-25
M.P.	Indore	Lokwan	2400	2600	-200
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2450	2350	100
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Jan-20	16-Jan-20	
Delhi	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	100	100	Unch
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	31	12	19

M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	1500	1500	Unch
U.P.	Kanpur	Mill Quality Loose	700	1500	-800
	Mathura	Mill Quality Loose	240	210	30
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	NA	NR	-
	Aligarh	Mill Quality Loose	150	NA	-
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	400	500	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	17-Jan-20	16-Jan-20	Change
Atta (50kg) Ordinary	NA	NA	-
Maida Grade 1 (50KG)	NA	NA	-
Suji (50kg)	NA	NA	-
Chokar (50 kg)	NA	NA	-
Chokar (34 kg)	NA	NA	-
Chakki Atta (50kg)	NA	NA	-
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 16.01.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	569.00	578.75	568.25	573.25	4.75
20-May	570.50	579.25	570.00	574.00	3.75
20-Jul	572.00	579.50	571.50	574.75	3.00
20-Sep	577.00	583.75	576.50	579.50	3.00
20-Dec	585.00	591.00	584.25	587.00	2.25
21-Mar	591.00	596.25	591.00	593.25	1.75

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