

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 declined by 1.50 percent to Rs. 2344.75 per quintal during the week ended 18th January 2020. Wheat average price were ruling at Rs 2380.46 per quintal during 09-16 January 2020. As compared to prices in the week 16-23 January 2019, the prices are higher by 11.11 percent. Prices are expected to notice steady to weak tone in coming days amid expectation of bumper crop this season.

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.

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:

Pakistan Government has approved the import of 300,000 tonnes of wheat to relieve a shortage of flour supplies that has created a crisis in the market. Prices of flour and bread shot up last week as the ingredient disappeared from shops and wholesale markets, while bread makers shut in protest towards selling the staple at controlled prices.

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.

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.

Wheat Futures Contract: NCDEX Price							Date: 20.01.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Jan	-8	2257	2249	2249	2249	10	0	10	0
20-Feb	0	2267	2267	2267	2267		-10	20	0
20-Mar	0	2277	2277	2277	2277				

Spread	Jan-19	Feb-20	Mar-20
Spot Narella	2200		
20-Jan	49		
20-Feb		18	
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 20.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jan-20	18-Jan-20	
Delhi	Lawrence Road	Mill Delivery	2200	2350	-150
	Narella	Mill Quality Loose	2200	2260	-60
	Nazafgarh	Mill Quality Loose	2200	2230	-30
Gujarat	Rajkot	Mill Delivery	2300	2330	-30
	Ahmedabad	Mill Delivery	2350	2390	-40
	Surat	Mill Delivery	2375	2430	-55
	Dhrol	Mill Quality Loose	2505	2565	-60
M.P.	Indore	Mill Delivery	2230	2250	-20
	Bhopal	Mill Quality Loose	2200	2225	-25
Rajasthan	Kota	Mill Quality Loose	2150	2175	-25
		Mill Delivery	2220	2275	-55
U.P.	Kanpur	Mill Delivery	2200	2210	-10
	Mathura	Mill Quality Loose	2170	NA	-
	Kosi	Mill Quality Loose	2100	2200	-100
	Hathras	Mill Quality Loose	2150	2200	-50

	Aligarh	Mill Quality Loose	2100	NA	-
Punjab	Khanna	Mill Quality Loose	2175	2170	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2130	2190	-60
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2250	2325	-75
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2600	2625	-25
	Madurai	Mill Quality	2657	2682	-25
	Coimbatore	Mill Quality	2657	2682	-25
Bihar	Khagariya	Mill Delivery	2200	2200	Unch
	Muzaffarpur	Mill Delivery	2180	2200	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jan-20	18-Jan-20	
Gujarat	Rajkot	Lokwan	2350	2400	-50
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2300	2300	Unch
	Bina	Sarbat 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2300	2275	25
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Jan-20	18-Jan-20	
Delhi	Lawrence Road	Mill Delivery	1200	3500	-2300
	Narella	Mill Quality Loose	150	100	50
	Nazafgarh	Mill Quality Loose	70	50	20
Gujarat	Rajkot	Mill Quality Loose	700	400	300
	Dhrol	Mill Quality Loose	30	32	-2

M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	1500	2000	-500
U.P.	Kanpur	Mill Quality Loose	700	500	200
	Mathura	Mill Quality Loose	240	NA	-
	Kosi	Mill Quality Loose	200	100	100
	Hathras	Mill Quality Loose	150	60	90
	Aligarh	Mill Quality Loose	250	NA	-
Punjab	Khanna	Mill Quality Loose	600	700	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	70	50	20
	Bhiwani	Mill Quality Loose	300	600	-300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	20-Jan-20	18-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: 17.01.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	565.50	572.50	564.25	570.50	5.25
20-May	566.75	573.25	565.75	571.25	5.00
20-Jul	567.00	573.25	566.25	570.50	3.75
20-Sep	572.25	578.25	571.75	575.75	3.75
20-Dec	581.75	586.00	580.00	583.75	3.25
21-Mar	587.75	592.25	586.50	590.25	3.00

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