

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.

The reserve price of wheat under OMSS has been reduced to Rs 2,135/quintal for fair average quality (FAQ) and to Rs 2,080/quintal for lower quality. The benchmark price was Rs 2,245/quintal for the January-March period of 2019-20. When the OMSS scheme was announced in April last year, the government had fixed reserve price of wheat for each quarter during FY20. The objective was to liquidate more wheat with minimum losses. Reduction has been made to make space for the procurement of the new crop. According to trade sources, about 1.7 MT of wheat has been sold under OMSS, however official data showed it was less than a million tonne until November 28, 2019.

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.

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 20.22 thousand tonnes in the month of December-2019. The quantity in December-2019 was exported at an average FOB of \$ 276.11 per tonne and the major destinations were Bangladesh, Nepal, Somalia, 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:

Sindh has asked the federal government to stop wheat exports in view of the prevailing shortages that have led to a spike in the price of the commodity and their products. The country's wheat flour crisis has worsened in a last few weeks, affecting major cities such as Karachi, Hyderabad, and Lahore and with prices increasing up to Rs70/kilogramme in some areas.

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.

Wheat Futures Contract: NCDEX Price							Date: 23.01.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Feb	0	2073	2073	2073	2073		-10	20	0
20-Mar	0	2202	2202	2202	2202				
20-Apr	0	2145	2145	2145	2145				

Spread	Feb-20	Mar-20	Apr-20
Spot Narella	2150		
20-Feb	-77		
20-Mar		129	
20-Apr			-57

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 23.01.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jan-20	22-Jan-20	
Delhi	Lawrence Road	Mill Delivery	2200	2200	Unch
	Narella	Mill Quality Loose	2150	Closed	-
	Nazafgarh	Mill Quality Loose	2200	Closed	-
Gujarat	Rajkot	Mill Delivery	2225	2240	-15
	Ahmedabad	Mill Delivery	2325	2300	25
	Surat	Mill Delivery	2350	2340	10
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	2215	2230	-15
	Bhopal	Mill Quality Loose	2100	2050	50
Rajasthan	Kota	Mill Quality Loose	2100	2075	25
		Mill Delivery	2125	2175	-50
U.P.	Kanpur	Mill Delivery	2100	2080	20
	Mathura	Mill Quality Loose	2160	NA	-
	Kosi	Mill Quality Loose	2100	2100	Unch
	Hathras	Mill Quality Loose	2150	2150	Unch

	Aligarh	Mill Quality Loose	2100	Closed	-
Punjab	Khanna	Mill Quality Loose	2030	2030	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2100	2100	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2100	2100	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	2000	2150	-150
	Muzaffarpur	Mill Delivery	2125	2150	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jan-20	22-Jan-20	
Gujarat	Rajkot	Lokwan	2250	2300	-50
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2250	2250	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jan-20	22-Jan-20	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	250	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	700	-100
	Dhrol	Mill Quality Loose	NR	NR	-

M.P.	Indore	Mill Quality Loose	4000	1600	2400
Rajasthan	Kota	Mill Quality	800	2000	-1200
U.P.	Kanpur	Mill Quality Loose	800	500	300
	Mathura	Mill Quality Loose	250	NA	-
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	450	450	Unch
	Aligarh	Mill Quality Loose	300	Closed	-
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	50	50	Unch
	Bhiwani	Mill Quality Loose	400	700	-300
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	23-Jan-20	22-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: 22.01.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	581.50	592.50	574.50	577.75	-3.75
20-May	581.25	590.75	574.50	577.25	-3.75
20-Jul	580.00	589.00	574.25	576.75	-3.75
20-Sep	585.25	592.75	579.50	581.75	-3.75
20-Dec	593.00	599.50	587.25	589.75	-3.75
21-Mar	599.75	605.25	595.25	596.75	-3.75

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