

Wheat Domestic Fundamentals:

As per Uttarakhand government, Minimum Support Price (MSP) of Wheat has been hiked by Rs. 65 to Rs. 1,925 per quintal from 1,860 per quintal.

As per the latest update wheat cash market is likely to stay steady to slightly weak as stock in central pool is higher and new crop is at hand. Likely bumper production this year and FCI urgency to release old stock may pressurize wheat cash market in coming weeks. If off take remains slow at this point of time. FCI may consider to decrease bench mark price.

Cases of the yellow rust attack on wheat crop have been reported in Kangra and Una districts of Himachal Pradesh. There is lack of availability of pesticides according to the farmers thereby leading to yellow rust cases in almost all parts of the district.

As per Govt. sources the second crop forecast of India is projected to produce a record 106.2 million tonnes of wheat crop in 2019-20 because of favourable weather conditions and improve crop yields. Wheat output is expected to go up by 2.5% in the crop year. Which expected to reach 291.9 million tonnes in 2019-20 from 285.2 million tonnes last year.

As per latest update, area sown until 31st January-20 is 336.18 lakh hectares compared to 299.30 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.

As per market experts bumper production seems on the card despite unseasonal rains and locusts attack in Rajasthan. This year there will be record food grain production led by wheat along with corn and jowar. Wheat production during Rabi 2019-20 is estimated at 109 MMT which is 6.27% higher than last year production of 102.1 MMT. Production of wheat is expected to increase following higher acreage amid increase in MSP. Farmers prefer wheat over other Rabi crops in irrigated areas because of assured return as FCI undertakes procurement at MSP. Secondly, prolonged cold waves and winter rainfall in certain states have contributed to increase in yield of wheat.

As per market sources, wheat stock in central pool as on 1st February'20 stood at 303.66 lakh tonnes down by 7.41% compared to last month. This quantity is higher by around 26.89% 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 4.19 percent to Rs. 2137.82 per quintal during the week ended 28th February 2020. Wheat average price were ruling at Rs 2231.28 per quintal during 16-23 February 2020. As compared to prices in the week 24-28 February 2019, the prices are higher by 5.58 percent. Prices are expected to trade steady to weak in coming days amid lack of demand in the spot market. Though unseasonal rains, yellow rust and locust attacks have been reported in some areas, bumper production is expected this season.

International Market Update:

Turkey's state grain board TMO has issued a series of international tenders to purchase a total of some 305,000 tonnes of wheat according to European traders. The tenders will close on March 11, 2020. Shipment is sought between March 20 and April 7 and red milling wheat is sought. The wheat is sought for unloading in eight Turkish ports in a series of consignments of between 60,000 and 25,000 tonnes.

According to the Ukrainian grain traders union (UGA), Ukraine's 2020 wheat harvest is likely to increase to 28.8 MMT from 28.2 MMT previous year.

Pakistan is likely to harvest around 25.5 to 26.5 MMT of wheat against the production target of 27.03 MMT for Rabi 2019-2020, according to estimates by stakeholders. The main limiting factor hindering development of wheat plant was stated to be widespread attack of rust fungus diseases, which according to an estimate might dent output by at least one MMT.

Tunisia's state grains agency has purchased 125,000 metric tonnes of milling wheat in five 25,000 tonne consignments. The tender closed on Tuesday. The wheat is expected to be shipped between March 15 –May 25, 2020.

According to the latest estimates released by the International Grains Council (IGC), world wheat production is expected to rise to a record 769 MMT in the 2020/21 season boosted by a 2% rise in area. The upward revision for 2019/20 global wheat production was partly due to an improved outlook for India where the crop is now seen rising to 103.6 MMT, up from a previous forecast of 102.2 MMT and previous season's output of 99.7 MMT.

According to U.S. Department of Agriculture (USDA) statement, U.S wheat may now be shipped to Kenya as Kenya has agreed to lift a decade old prohibition on US wheat. This step will allow U.S. wheat from Idaho, Oregon and Washington states to Kenya regardless of state of origin or port of export.

Wheat Futures Contact: NCDEX Price							Date: 04.03.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Mar	0	2133	2133	2133	2133				
20-Apr	0	1970	1970	1970	1970				
20-May	0	1965	1965	1965	1965				

Spread	Feb-20	Mar-20	Apr-20
Spot Narella	2125		
20-Feb	8		
20-Mar		-163	
20-Apr			-5

Stocks	Demat	In-Process	Total	EDD
	03.Mar.20	03.Mar.20	03.Mar.20	02.Mar.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 04.03.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Mar-20	03-Mar-20	
Delhi	Lawrence Road	Mill Delivery	2210	2210	Unch
	Narella	Mill Quality Loose	Closed	2100	-
	Nazafgarh	Mill Quality Loose	Closed	2100	-
Gujarat	Rajkot	Mill Delivery	1850	1875	-25
	Ahmedabad	Mill Delivery	1950	2050	-100
	Surat	Mill Delivery	2000	2075	-75
	Dhrol	Mill Quality Loose	1730	2080	-350
M.P.	Indore	Mill Delivery	2100	2100	Unch
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	2100	2000	100
		Mill Delivery	2200	2100	100
U.P.	Kanpur	Mill Delivery	2090	2090	Unch
	Mathura	Mill Quality Loose	2020	1990	30
	Kosi	Mill Quality Loose	2020	2010	10
	Hathras	Mill Quality Loose	2025	2030	-5

	Aligarh	Mill Quality Loose	Closed	2050	-
Punjab	Khanna	Mill Quality Loose	1925	1980	-55
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2030	2060	-30
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2080	2090	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2450	2450	Unch
	Madurai	Mill Quality	2507	2507	Unch
	Coimbatore	Mill Quality	2507	2507	Unch
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2060	2050	10
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Mar-20	03-Mar-20	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	Closed	2300	-
Rajasthan	Kota	Lokwan Bilty	2250	2200	50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Mar-20	03-Mar-20	
Delhi	Lawrence Road	Mill Delivery	7000	6500	500
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	5000	6000	-1000
	Dhrol	Mill Quality Loose	18	19	-1

M.P.	Indore	Mill Quality Loose	5000	12000	-7000
Rajasthan	Kota	Mill Quality	1200	800	400
U.P.	Kanpur	Mill Quality Loose	600	800	-200
	Mathura	Mill Quality Loose	280	250	30
	Kosi	Mill Quality Loose	100	200	-100
	Hathras	Mill Quality Loose	250	300	-50
	Aligarh	Mill Quality Loose	Closed	400	-
Punjab	Khanna	Mill Quality Loose	600	700	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	300	400	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 03.03.2020

Contract Month	Open	High	Low	Close	Change
20-Mar	523.00	534.50	523.00	528.75	2.50
20-May	523.75	534.00	521.00	527.25	4.00
20-Jul	523.25	534.00	522.25	527.50	3.25
20-Sep	531.25	539.25	528.75	533.75	3.25
20-Dec	540.75	549.75	539.25	544.50	3.25
21-Mar	550.50	558.25	549.00	554.00	3.50

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.