

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 trade steady to weak amid new crop arrival in Madhya Pradesh. Stockists are offloading stocks in Rajasthan ahead of the new crop arrival expected by next week. In Uttar Pradesh arrival is likely to be delayed following recent rainfall.

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: 05.03.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Mar	0	2140	2140	2140	2140				
20-Apr	0	1911	1911	1911	1911				
20-May	0	1910	1910	1910	1910				

Spread	Feb-20	Mar-20	Apr-20
Spot Narella	2125		
20-Feb	15		
20-Mar		-229	
20-Apr			-1

Stocks	Demat	In-Process	Total	EDD
	04.Mar.20	04.Mar.20	04.Mar.20	02.Mar.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 05.03.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05-Mar-20	04-Mar-20	
Delhi	Lawrence Road	Mill Delivery	2210	2210	Unch
	Narella	Mill Quality Loose	2125	2125	Unch
	Nazafgarh	Mill Quality Loose	2100	2100	Unch
Gujarat	Rajkot	Mill Delivery	1875	1850	25
	Ahmedabad	Mill Delivery	2000	2000	Unch
	Surat	Mill Delivery	2030	2025	5
	Dhrol	Mill Quality Loose	1980	2050	-70
M.P.	Indore	Mill Delivery	2100	2100	Unch
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	2000	2035	-35
		Mill Delivery	2100	2100	Unch
U.P.	Kanpur	Mill Delivery	2090	2090	Unch
	Mathura	Mill Quality Loose	NA	2000	-
	Kosi	Mill Quality Loose	2060	2020	40
	Hathras	Mill Quality Loose	2000	2025	-25

	Aligarh	Mill Quality Loose	2040	2045	-5
Punjab	Khanna	Mill Quality Loose	1930	1960	-30
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2030	2040	-10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2100	2080	20
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2450	-50
	Madurai	Mill Quality	2457	2507	-50
	Coimbatore	Mill Quality	2457	2507	-50
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
			05-Mar-20	04-Mar-20	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2200	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			05-Mar-20	04-Mar-20	
Delhi	Lawrence Road	Mill Delivery	7000	7500	-500
	Narella	Mill Quality Loose	100	100	Unch
	Nazafgarh	Mill Quality Loose	100	40	60
Gujarat	Rajkot	Mill Quality Loose	5000	4000	1000
	Dhrol	Mill Quality Loose	28	12	16

M.P.	Indore	Mill Quality Loose	10000	10000	Unch
Rajasthan	Kota	Mill Quality	1500	1500	Unch
U.P.	Kanpur	Mill Quality Loose	800	800	Unch
	Mathura	Mill Quality Loose	NA	260	-
	Kosi	Mill Quality Loose	300	100	200
	Hathras	Mill Quality Loose	50	150	-100
	Aligarh	Mill Quality Loose	200	300	-100
Punjab	Khanna	Mill Quality Loose	700	600	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	400	300	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 04.03.2020					
Contract Month	Open	High	Low	Close	Change
20-Mar	528.00	528.00	521.25	521.50	-7.25
20-May	525.25	526.25	516.75	518.25	-9.00
20-Jul	525.50	526.75	518.00	519.50	-8.00
20-Sep	532.25	532.50	525.00	526.50	-7.25
20-Dec	543.00	543.50	536.75	538.00	-6.50
21-Mar	552.25	552.50	546.75	548.25	-5.75

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