

Wheat Domestic Fundamentals:

Wheat arrivals across Uttar Pradesh, Punjab, Haryana, and Rajasthan are likely to enter the markets over two weeks later than usual as recent rainfall is seen delaying harvest of the standing crops.

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 0.45 percent to Rs. 2128.15 per quintal during the week ended 8th March 2020. Wheat average price were ruling at Rs 2137.82 per quintal during 24-28 February 2020. As compared to prices in the week 01-08 March 2019, the prices are higher by 6.01 percent. Prices are expected to trade steady to weak in coming days amid new crop arrival in the market. Though unseasonal rains, yellow rust and locust attacks have been reported in some areas, bumper production is expected this season.

International Market Update:

The Food ministry of Pakistan has decided to propose the Economic Coordination Committee (ECC) of the cabinet to further increase wheat support price by Rs50 per 40 kilograms to give relief to the farmer community amid unfavourable weather conditions. In November last, the ECC increased wheat support price by Rs50. The increase was given after a five-year gap. In 2014, the government raised wheat support price by Rs100.

Australia has exported a record 1.3 MMT of wheat in January 2020, a 41% increase compared to previous month and a 52% rise from a year ago, according to export data by S&P Global Platts. The Philippines was Australia's number one export destination purchasing 318,116 metric tonnes of wheat, followed by Indonesia at 150,494 metric tonnes and China at 104,524 metric tonnes.

According to the latest monthly supply and demand report released by the USDA, output of wheat is raised on higher production forecasts for India and Argentina more than offsetting reductions for Turkey and Australia. India's production is raised 1.4 MMT to a record 103.6 MMT, mainly on an updated government production estimate. World exports are increased by 0.8 MMT to 183.6 MMT as higher exports by Russia and Argentina more than offset reductions for Canada and Australia. Russia's exports are increased 1.0 MMT to 35.0 MMT, primarily on higher projected imports by Turkey as Russia is its leading supplier. Global consumption is raised 0.7 MMT tons as increases for Turkey, Bangladesh, and Canada more than offset reductions for the EU, Iraq, and Lebanon. Global ending stocks are projected lower this month but remain record large for the 2019/20 crop year at 287.1 MMT with China comprising 52 percent of the total.

| Wheat Futures Contract: NCDEX Price | | | | | | | Date: 11.03.2020 at 5:00 PM | | |
|-------------------------------------|-----|------|------|------|-------|--------|-----------------------------|----|-----------------------|
| Contract Month | +/- | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 20-Mar | 0 | 2105 | 2105 | 2105 | 2105 | 10 | 10 | 10 | 10 |
| 20-Apr | 0 | 1911 | 1911 | 1911 | 1911 | 10 | 10 | 10 | 10 |
| 20-May | 0 | 1910 | 1910 | 1910 | 1910 | | | | |

| Spread | Feb-20 | Mar-20 | Apr-20 |
|--------------|--------|--------|--------|
| Spot Narella | 2150 | | |
| 20-Feb | -45 | | |
| 20-Mar | | -194 | |
| 20-Apr | | | -1 |

| Stocks | Demat | In-Process | Total | EDD |
|--------|-----------|------------|-----------|-----------|
| | 09.Mar.20 | 09.Mar.20 | 09.Mar.20 | 09.Mar.20 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | - | - | - | - |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 11.03.2020

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|---------------|--------------------|-----------------|-----------|--------|
| | | | 11-Mar-20 | 09-Mar-20 | |
| Delhi | Lawrence Road | Mill Delivery | 2220 | 2215 | 5 |
| | Narella | Mill Quality Loose | Closed | 2150 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 2075 | - |
| Gujarat | Rajkot | Mill Delivery | 1775 | 1790 | -15 |
| | Ahmedabad | Mill Delivery | 1920 | 1920 | Unch |
| | Surat | Mill Delivery | 1900 | 1940 | -40 |
| | Dhrol | Mill Quality Loose | 2130 | 2100 | 30 |
| M.P. | Indore | Mill Delivery | 1975 | 2075 | -100 |
| | Bhopal | Mill Quality Loose | 1800 | 1900 | -100 |
| Rajasthan | Kota | Mill Quality Loose | 1850 | 2030 | -180 |
| | | Mill Delivery | 1950 | 2125 | -175 |
| U.P. | Kanpur | Mill Delivery | NR | NR | - |
| | Mathura | Mill Quality Loose | Closed | Closed | - |
| | Kosi | Mill Quality Loose | Closed | Closed | - |
| | Hathras | Mill Quality Loose | Closed | Closed | - |

| | | | | | |
|------------|-------------------------------|---------------------|--------|--------|------|
| | Aligarh | Mill Quality Loose | Closed | Closed | - |
| Punjab | Khanna | Mill Quality Loose | 1960 | 1960 | Unch |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 2030 | 2030 | Unch |
| | Hodal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 2050 | Closed | - |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2300 | 2400 | -100 |
| | Madurai | Mill Quality | 2357 | 2457 | -100 |
| | Coimbatore | Mill Quality | 2357 | 2457 | -100 |
| Bihar | Khagariya | Mill Delivery | 2100 | Closed | - |
| | Muzaffarpur | Mill Delivery | 2050 | Closed | - |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 11-Mar-20 | 09-Mar-20 | |
| Gujarat | Rajkot | Lokwan | 1825 | 1825 | Unch |
| M.P. | Indore | Lokwan | 2200 | 2200 | Unch |
| | Bhopal | Lokwan | 1950 | 2100 | -150 |
| | Bina | Sarbati 306 | Closed | Closed | - |
| Rajasthan | Kota | Lokwan Bilty | 2100 | 2200 | -100 |
| | Baran | Lokwan | NA | NA | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|---------|---------------|--------------------|---------------------|-----------|--------|
| | | | 11-Mar-20 | 09-Mar-20 | |
| Delhi | Lawrence Road | Mill Delivery | 2500 | 6000 | -3500 |
| | Narella | Mill Quality Loose | Closed | 150 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 50 | - |
| Gujarat | Rajkot | Mill Quality Loose | 12000 | 7000 | 5000 |
| | Dhrol | Mill Quality Loose | 45 | 20 | 25 |

| | | | | | |
|------------------|--------------------|--------------------|--------|------|-------------|
| M.P. | Indore | Mill Quality Loose | 10000 | 8000 | 2000 |
| Rajasthan | Kota | Mill Quality | 1000 | 1500 | -500 |
| U.P. | Kanpur | Mill Quality Loose | NR | 500 | - |
| | Mathura | Mill Quality Loose | Closed | 210 | - |
| | Kosi | Mill Quality Loose | Closed | 310 | - |
| | Hathras | Mill Quality Loose | Closed | 150 | - |
| | Aligarh | Mill Quality Loose | Closed | 200 | - |
| 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 | 10 | 50 | -40 |
| | Bhiwani | Mill Quality Loose | 300 | 200 | 100 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

Wheat (CBOT) Future Price: 10.03.2020

| Contract Month | Open | High | Low | Close | Change |
|----------------|--------|--------|--------|--------|-------------|
| 20-Mar | 524.25 | 526.75 | 519.25 | 526.75 | 4.50 |
| 20-May | 520.00 | 525.00 | 514.00 | 522.25 | 3.50 |
| 20-Jul | 517.75 | 524.50 | 514.25 | 521.50 | 2.75 |
| 20-Sep | 526.50 | 530.50 | 520.75 | 527.50 | 1.75 |
| 20-Dec | 538.25 | 541.25 | 531.75 | 538.25 | 1.25 |
| 21-Mar | 548.50 | 550.75 | 541.50 | 547.50 | 0.50 |

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