

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.

The Uttar Pradesh government has set a wheat procurement target of 5.5 MMT for the coming 2020-21 rabi marketing season at the minimum support price of Rs.1925/Qtl. Of the total target of 5.5 MMT, the Food Corporation of India (FCI) will directly procure 150,000 tonnes, while the remaining wheat would be purchased by the various state government agencies, which would set up 5,000 procurement centres across UP. The bulk of 2.5 MMT and 0.5 MMT would be procured by the UP Cooperative Federation Limited (UPCFL) and UP Cooperative Union (UPCU) respectively. The procurement would start from April 1 and continue for the successive two and half months till June 15, 2020. The procurement would not stop during this period even if the seasonal target is achieved during the meantime.

Rain and hailstorm have been reported in certain wheat growing regions of Punjab. Farmers are worried of the crop loss. The fields filled with rainwater are expected to deteriorate the quality of the sprouting grains and the wheat stems were flattened. However the exact crop damage will be clear in the next few days.

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. Higher arrivals and expected bumper production will weigh on the market in the coming days.

As per Govt. sources the second crop forecast of India is projected to produce a record 106.2 MMT 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 is expected to reach 291.9 MMT in 2019-20 from 285.2 MMT 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 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:

Algeria's state grains agency OAIC bought around 600,000 tonnes of milling wheat in an international tender which closed on Wednesday according to European traders. The tender called for the wheat to be shipped in May, except for South American supplies that should be shipped in April.

The Economic Coordination Committee (ECC) of the cabinet, Pakistan has revised up wheat support price by Rs35 to Rs1,400 per 40 kilograms to ensure parity in the commodity prices in the country and set up a monitoring body to ensure smooth procurement in the upcoming harvest season.

The European Commission estimates European Union (EU) common wheat exports will rebound 30% from last year to 28.0 MMT in 2019/20. By March 1, EU common wheat exports totaled 19.1 MMT, 60% ahead of last year's pace.

As of March 2, Ukraine's Ministry for the Development of Economy, Trade and Agriculture pegged the country's total wheat exports at 16.6 MMT. Total Ukrainian grain exports to date are 24% ahead of last year's pace at 40.9 MMT.

Ukraine's Grain Traders Union predicts the country's 2020 wheat output will total 25.8 MMT, 11% less than last year's record of 29.0 MMT.

Unseasonably warm, rainy weather is impacting French common (non-durum) wheat conditions. France's agricultural office, FranceAgriMer, reported 65% of the country's soft wheat in good to excellent condition compared to 85% this time last year. French durum planting is nearly complete and 67% of the crop is in good to excellent condition. According to Stratégie Grains, French common wheat production is expected to fall 14% in 2020/21 to 33.8 MMT on decreased planted area and lower average yields.

Wheat Futures Contract: NCDEX Price							Date: 13.03.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Mar	0	2000	2000	2000	2000		-10		-10
20-Apr	0	1855	1855	1855	1855		-20	10	0
20-May	0	1855	1855	1855	1855				

Spread	Feb-20	Mar-20	Apr-20
Spot Narella	2100		
20-Feb	-100		
20-Mar		-145	
20-Apr			0

Stocks	Demat	In-Process	Total	EDD
	12.Mar.20	12.Mar.20	12.Mar.20	09.Mar.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 14.03.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Mar-20	13-Mar-20	
Delhi	Lawrence Road	Mill Delivery	2230	2230	Unch
	Narella	Mill Quality Loose	2100	2100	Unch
	Nazafgarh	Mill Quality Loose	NA	2100	-
Gujarat	Rajkot	Mill Delivery	1725	1740	-15
	Ahmedabad	Mill Delivery	1850	1800	50
	Surat	Mill Delivery	1900	1840	60
	Dhrol	Mill Quality Loose	NA	1760	NA
M.P.	Indore	Mill Delivery	1875	1875	Unch
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2000	2000	Unch
U.P.	Kanpur	Mill Delivery	2050	2050	Unch
	Mathura	Mill Quality Loose	2020	2020	Unch
	Kosi	Mill Quality Loose	2100	2100	Unch
	Hathras	Mill Quality Loose	2000	2000	Unch

	Aligarh	Mill Quality Loose	2030	2030	Unch
Punjab	Khanna	Mill Quality Loose	1960	1960	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2020	2030	-10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2050	2050	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Mar-20	13-Mar-20	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2250	2250	Unch
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Mar-20	13-Mar-20	
Delhi	Lawrence Road	Mill Delivery	7000	5500	1500
	Narella	Mill Quality Loose	100	300	-200
	Nazafgarh	Mill Quality Loose	NA	50	-
Gujarat	Rajkot	Mill Quality Loose	8000	9500	-1500
	Dhrol	Mill Quality Loose	NA	8	NA

M.P.	Indore	Mill Quality Loose	8000	12000	-4000
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	1400	1400	Unch
	Mathura	Mill Quality Loose	210	210	Unch
	Kosi	Mill Quality Loose	210	210	Unch
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	300	300	Unch
Punjab	Khanna	Mill Quality Loose	700	700	Unch
	(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	300	300	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 13.03.2020

Contract Month	Open	High	Low	Close	Change
20-May	505.00	513.75	499.50	506.00	0.50
20-Jul	504.25	514.25	501.00	507.00	0.25
20-Sep	511.00	520.50	508.00	513.00	-0.50
20-Dec	524.00	531.50	519.50	523.75	-1.50
21-Mar	532.75	540.75	530.00	533.75	-1.75
21-May	533.50	541.50	532.50	536.50	-1.75

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