

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 4.62 percent to Rs. 2029.78 per quintal during the week ended 15th March 2020. Wheat average price were ruling at Rs 2128.15 per quintal during 01-08 March 2020. As compared to prices in the week 09-15 March 2019, the prices are lower by 1.88 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:

Jordan's state grain buyer the trade ministry has issued an international tender to buy 120,000 tonnes of milling wheat which can be sourced from optional origins according to European traders. The tender will close on March 17, 2020. The new tender seeks hard wheat for shipment in a range of possible combinations in 60,000 tonne consignments. Possible shipment periods are Sept. 16-30, Oct. 1-15, Oct. 16-31 and Nov. 1-15.

Iran's wheat output is forecast to be around 15.36 MMT by the year 2028 from 13.57 MMT in 2019, registering an annual growth of 2.7% year-on-year. The forecast was made in a joint report released by the Food and Agricultural Organization of the United Nations and the Organization for Economic Cooperation and Development.

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.

Wheat Futures Contract: NCDEX Price							Date: 16.03.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Mar									
20-Apr	0	1855	1855	1855	1855			10	0
20-May	0	1855	1855	1855	1855				

Spread	Feb-20	Mar-20	Apr-20
Spot Narella	2090		
20-Feb	-		
20-Mar		1	
20-Apr			0

Stocks	Demat	In-Process	Total	EDD
	13.Mar.20	13.Mar.20	13.Mar.20	09.Mar.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 16.03.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Mar-20	14-Mar-20	
Delhi	Lawrence Road	Mill Delivery	2115	2230	-115
	Narella	Mill Quality Loose	2090	2100	-10
	Nazafgarh	Mill Quality Loose	2070	NA	-
Gujarat	Rajkot	Mill Delivery	1725	1725	Unch
	Ahmedabad	Mill Delivery	1825	1850	-25
	Surat	Mill Delivery	1875	1900	-25
	Dhrol	Mill Quality Loose	1860	1745	115
M.P.	Indore	Mill Delivery	1850	1875	-25
	Bhopal	Mill Quality Loose	1750	1800	-50
Rajasthan	Kota	Mill Quality Loose	1925	1900	25
		Mill Delivery	1850	2000	-150
U.P.	Kanpur	Mill Delivery	2025	2050	-25
	Mathura	Mill Quality Loose	2000	2020	-20
	Kosi	Mill Quality Loose	2090	2100	-10
	Hathras	Mill Quality Loose	2000	2000	Unch

	Aligarh	Mill Quality Loose	2040	2030	10
Punjab	Khanna	Mill Quality Loose	1980	1960	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2000	2020	-20
	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	1980	2000	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Mar-20	14-Mar-20	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2200	2250	-50
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	NA	Closed	-
Rajasthan	Kota	Lokwan Bilty	1950	2100	-150
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Mar-20	14-Mar-20	
Delhi	Lawrence Road	Mill Delivery	2000	7000	-5000
	Narella	Mill Quality Loose	150	100	50
	Nazafgarh	Mill Quality Loose	30	NA	-
Gujarat	Rajkot	Mill Quality Loose	14000	8000	6000
	Dhrol	Mill Quality Loose	151	25	126

M.P.	Indore	Mill Quality Loose	5000	8000	-3000
Rajasthan	Kota	Mill Quality	5000	2500	2500
U.P.	Kanpur	Mill Quality Loose	1500	1400	100
	Mathura	Mill Quality Loose	300	210	90
	Kosi	Mill Quality Loose	340	210	130
	Hathras	Mill Quality Loose	150	100	50
	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	300	200	100
	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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