

### Wheat Domestic Fundamentals:

**As per the latest update wheat cash market is likely to trade mixed in the near -term.** In Punjab, around 3% crop loss is expected in the wheat growing regions following recent rains and hailstorm. However exact crop loss will be clear in the coming days. In Gujarat, bumper wheat production is expected this season. However prices have declined amid supply disruptions to different parts of the country following Covid-19 scare and reduced demand. In Rajasthan prices firmed up as stockists have almost exhausted their stock and new crop arrival will be delayed by 2-3 weeks following recent rainfall.

**According to the second advance estimate released by the State of Punjab,** wheat production is estimated to decline to 17.9 MMT in 2019-20 (Jul-Jun) compared with 18.3 MMT in the previous year.

**As per market sources, wheat stock in central pool as on 1st March'20 stood at 275.21 lakh tonnes down by 9.37% compared to last month.** This quantity is higher by around 36.86% 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.

**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.

**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 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 31<sup>st</sup> 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.

**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:

**Despite an increase in domestic wheat production in Egypt,** import of the grain continues as consumption rises, according to a Global Agricultural Information Network report from the US Department of Agriculture (USDA). Egypt's wheat production for the marketing year 2020-21 is forecast to increase by 1.5% to 8.9 MMT. The country's consumption of wheat is also anticipated to rise 1% to 20.1 MMT amid increase in population. Imports for the 2020-21 market year are forecast at 12.85 MMT, a slight increase of 0.4% compared with the previous year.

**According to official data, France is now expected to export 12.7 MMT of soft wheat** outside of the European Union, 31% more than last year and the highest since 2010/11.

**From early July 2019 to March 5, 2020, Russia exported 24.2 MMT of wheat.** All Russian grain exports over the same period totaled 28.1 MMT, down 19% on the year. USDA expects Russia will export 35.0 MMT of wheat in 2019/20.

**Tunisia's state grains agency has issued an international tender to purchase around 67,000 tonnes** of durum wheat and 25,000 tonnes of soft wheat according to European traders. The tender closes on Tuesday, March 17. The grains can be sourced from optional origins and shipment is expected in April.

**The European association Coceral revised its 2020/21 wheat production estimates** from initial forecasts last month in a recent report. Coceral estimate the UK wheat area at 1478KHa with a yield of 7.38t/ha. For the EU and UK, soft wheat production was lowered 1.4MMT to 136.5MMT due to persistent torrential rain disrupting sowing and affecting crop conditions. This is significantly down on last year which was recorded at 145.7MMT. With a reduced wheat production figure, crop conditions will be an important focus for milling quality amidst the frequent rainfall and a greater volume of grain imports into the EU and UK may be seen.

Wheat Futures Contract: NCDEX Price							Date: 20.03.2020 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
20-Mar	0	2013	2013	2013	2013				
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	2125		
20-Feb	-112		
20-Mar		-158	
20-Apr			0

Stocks	Demat	In-Process	Total	EDD
	19.Mar.20	19.Mar.20	19.Mar.20	18.Mar.20
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	-	-	-	-
Baran	-	-	-	-

### Wheat Daily Prices and Arrivals on 20.03.2020

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Mar-20	19-Mar-20	
Delhi	Lawrence Road	Mill Delivery	2150	2100	50
	Narella	Mill Quality Loose	2125	2100	25
	Nazafgarh	Mill Quality Loose	2100	2070	30
Gujarat	Rajkot	Mill Delivery	1750	1750	Unch
	Ahmedabad	Mill Delivery	1850	1825	25
	Surat	Mill Delivery	1900	1870	30
	Dhrol	Mill Quality Loose	NR	1675	-
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1750	100
		Mill Delivery	1950	1900	50
U.P.	Kanpur	Mill Delivery	2080	NR	-
	Mathura	Mill Quality Loose	2025	1995	30
	Kosi	Mill Quality Loose	2100	2100	Unch
	Hathras	Mill Quality Loose	2050	2050	Unch

	Aligarh	Mill Quality Loose	2045	2030	15
Punjab	Khanna	Mill Quality Loose	Closed	1960	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2000	2000	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	2070	2050	20
	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	1980	20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Mar-20	19-Mar-20	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2000	1950	50
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	2000	2000	Unch
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Mar-20	19-Mar-20	
Delhi	Lawrence Road	Mill Delivery	1500	2000	-500
	Narella	Mill Quality Loose	250	150	100
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	12000	10000	2000
	Dhrol	Mill Quality Loose	NR	77	-

<b>M.P.</b>	Indore	Mill Quality Loose	7000	10000	<b>-3000</b>
<b>Rajasthan</b>	Kota	Mill Quality	5000	5000	<b>Unch</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	NR	-
	Mathura	Mill Quality Loose	280	280	<b>Unch</b>
	Kosi	Mill Quality Loose	100	100	<b>Unch</b>
	Hathras	Mill Quality Loose	60	125	<b>-65</b>
	Aligarh	Mill Quality Loose	250	150	<b>100</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	Closed	500	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	100	<b>100</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	300	200	<b>100</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price: 19.03.2020					
Contract Month	Open	High	Low	Close	Change
<b>20-May</b>	508.50	540.50	508.50	535.00	<b>26.75</b>
<b>20-Jul</b>	508.50	539.00	508.00	532.50	<b>24.00</b>
<b>20-Sep</b>	515.00	542.00	514.75	535.50	<b>21.25</b>
<b>20-Dec</b>	525.75	550.25	524.75	544.25	<b>19.25</b>
<b>21-Mar</b>	531.50	556.75	531.50	551.50	<b>17.00</b>
<b>21-May</b>	535.25	552.00	529.00	546.75	<b>13.00</b>

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