

Wheat Monthly Research Report

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Market Dynamics:

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Price Trend: All India average monthly prices for wheat decreased by 0.25 percent from Rs 2024.23 in March - 2019 to Rs 2019.15 per qtl in April -2019. Average price in April-2019 is higher by 7.90 percent compared to Rs 1871.34 per quintal registered in April-2018. Prices are expected to remain steady to slightly firm in coming weeks as arrival pressure will decrease.

AW Production Estimate: As per Agriwatch production estimate is likely to be around 96.50 MMT compared to 95.50 MMT last year. Production is higher this year due to better yields compared to last year. Total availability is likely to increase to 116.21 MMT from 114.89 MMT in 2018-19.

Export: At export front, prevailing market conditions are not in favour of Indian exporters due to huge price gap. The difference is around \$62-71 per tonne from Black Sea Region. Russia/Ukraine is offering wheat at \$218.00/209.50 per tonne on FoB basis while Indian FoB at Kandla port comes to \$280.15 per tonne. India exported 10.69 thousand tonne wheat in March'19. Total export in MY 2017-18 was registered around 2.11 lakh tonne.

Import: At import front, government has increased import duty from 30 percent to 40 percent to reduce flow of imports and provide support to domestic prices. India has imported 1000 tonnes of milling wheat from Pakistan at \$ 318.53 per tonne (Including import duty) in the month of September-2018. Imports are expected to be low this year due to good domestic availability and increase in import duty. No import was reported for the month of March'19.

FoB/CiF Quotes: Indian FoB quote hovered around \$274.16-284.01 per tonne in March. Against it Russia, Ukraine, France, US and Australia were offering wheat at \$209.50-224.00, \$207.50-220.00, Euro 178.75-188.50, \$188.54-213.40 and \$190.99-230.75 per tonne respectively. Wheat prices in international markets witnessed weak tone in April.

Supply-Demand: Supply side for FAQ is likely to be good as ample stock is available in domestic market due to three consecutive good production years. Government has procured intensively and surpassed its procurement target of 32 MMT in MY 2018-19. Demand from south Indian millers is good after application of 40% import duty. No import parity has also increased demand for domestic wheat.

Wheat Second Advance Estimate: As per second advance estimate, wheat production has been pegged at 99.12 MMT compared to 99.70 MMT in its fourth advance estimate issued in the month of August'18. The second advance estimate for 2018-19 is lower by 0.58 percent compared to fourth advance estimate of 2017-18. Total food grain output is expected to be around 281.37 MMT compared to 277.49 MMT in second advance estimate for 2017-18.

Weather Update: India has received 29.90 mm of actual rainfall against 38.30 mm of normal rainfall during the month of April-2019. During the month of April-19, normal to excess rain was received in all major producing states except East Uttar Pradesh, Vidarbha, Maharashtra, Karnataka and Tamil Nadu. India has received 39.30 mm of rainfall during April-2018. Actual rainfall was above normal in April-2018. Lustre loss was witnessed in some northern states due to rainfall. Furthermore, some of the wheat crop in Rajasthan, Madhya Pradesh and Gujarat suffered damage due to hailstorm during third week of April. However favourable weather conditions have boosted the overall yields in major wheat producing states.

E-Auction: Government has offered 11019400 tonnes of wheat in OMSS since July'18 until fourth tender in March'19 out of which 8183900 tonnes was sold. Total numbers of rakes sold were 196. State government and bulk consumers bought 749600 tonnes and 6914900 tonnes of wheat respectively. 519400 tonnes was sold in dedicated movement. Government will sell wheat in open market at a reserve price of Rs 1900 per quintal in the second quarter i.e. July-September. For third and fourth quarter prices will be Rs 1925 per quintal and Rs 1950 per quintal respectively.

Procurement Target: Government has fixed wheat procurement target at 35.70 MMT for 2019-20. Last year government surpassed its procurement target of 32 MMT and procured 35.5 MMT.

Outlook & Recommendation: Wheat market is expected to trade steady to slightly firm in short to medium term.

Trade Call: Market participants are advised to buy wheat at 1895 levels for a target of 1940 with a stop loss at 1868 on closing basis.

AW Cereals Index:

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The Agriwatch Agri Commodities Index dipped 0.19% to 107.96 during the week ended December 15, 2018, from 108.16 the previous week as onion (down 10.8%) and potato (down 4.73%) extended their falling trend. Pulses and spices also fell while maize, wheat and rubber gained.

The base for the Index and all sub-Indices is 2014 (= 100). Four of the 9 commodity group sub-Indices and 14 of the 29 individual commodity sub-Indices ended the week lower. The group sub-Index values and their weekly changes are: Cereals: 120.32 (+0.14%), Pulses: 120.96 (-1.04%), Potato & Onion: 53.08 (-7.45%), Edible Oils: 105.57 (+0.56%), Oilseeds: 100.57 (-0.67%), Spices: 114.88 (-3.23%), Sweeteners: 97.64 (+0.17%), Fibres: 113.94 (+0.05%) and Other Non-Food Articles: 84.14 (+1.48%).



"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

India's Wheat Quarterly Balance Sheet For 2019-20:

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Wheat MY Runs From April To March (Figures in MMT)	2018-19	2019-20	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	19.39	19.71	19.71	92.29	68.34	44.36
Production	95.50	96.50	96.50	0.00	0.00	0.00
Imports	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability (A+B+C)	114.89	116.21	116.21	92.29	68.34	44.36
Consumption	95.00	95.50	23.87	23.87	23.88	23.88
Exports	0.18	0.30	0.05	0.08	0.10	0.07
Total Usage (E+F)	95.18	95.80	23.92	23.95	23.98	23.95
Carry out (D-G)	19.71	20.41	92.29	68.34	44.36	20.41
Av Monthly Consumption	7.92	7.96	1.99	1.99	1.99	1.99
Stock to Month Use	2.49	2.56	46.40	34.36	22.29	10.26
Stock to Consumption Ratio	0.03	0.03	1.94	1.44	0.93	0.43

*Agriwatch Wheat Production Estimate for Marketing Year 2019-20

Supply-Demand Highlights:**(Back to Table of Contents)**

As per Agriwatch production estimate is likely to be around 96.50 MMT compared to 95.50 MMT last year. Production is higher this year due to increase in yield. Total availability is likely to increase to 116.21 MMT from 114.89 MMT in MY 2018-19.

Carry out is expected to be around 20.41 MMT for 2019-20 compared to 19.71 MMT for 2017-18. Domestic demand for wheat is good. Prices are likely to stay steady to slightly firm. Good domestic availability will ensure that there are no unexpected surge in prices.

As per market sources, wheat stock in central pool as on 1st April'19 stood at 169.92 lakh tonnes down by 15.50% compared to last month. This quantity is higher by around 28.43% compared to last year for the same month. Government has already increased 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.

Domestic Market Highlights:

Wheat market is expected to trade steady to slightly firm due to increase in import duty and likely reduction in arrival pressure in upcoming weeks. Increase in import duty is likely to put a complete halt on imports in MY 2019-20. Availability in domestic market is sufficient to meet domestic demand.

FCI will sell wheat in the open market at a reserve price of Rs 2080 per quintal during the procurement period April-June and this price will be increased by Rs 55 per quintal in subsequent quarters. This reserve price is valid for Punjab, Haryana and Madhya Pradesh. For other states, railway freight (Ex-Ludhiana) and road transport cost will be added to the reserve price of the nearest depot. Reserve price for MY 2019-20 is higher by Rs 240 per quintal compared to MSP. Therefore private millers/traders may try to buy as much quantity as possible to during procurement season to avoid paying a higher price.

Government has increased import duty on wheat from 30 percent to 40 percent. This is done to make sure that there is no window left for cheaper imports. Three consecutive good production years have led to ample availability in the domestic market. Furthermore, it will also provide support to government in offloading wheat stocks as without any import parity private traders/millers will buy from FCI.

Wheat arrivals in Punjab have crossed 10 LMT in past 3-4 days and the state may see record wheat procurement this year. Until 30th April'19 state agency and FCI have procured 75.55 lakh tonnes of wheat in Punjab. Around 60 percent of the wheat crop has already arrived in Punjab Mandis. Increase in temperature fastened the maturity of wheat crop and led to upsurge in pace of harvest and arrivals in Punjab Mandis.

Government agencies have started procurement. Until 30th April'19 government has procured around 196.10 lakh tonnes of wheat. Of the total quantity procured, around 75.55 lakh tonnes have been procured from Punjab, 73.30 lakh tonnes from Haryana, 9.15 lakh tonnes from Uttar Pradesh, 33.46 lakh tonnes from Madhya Pradesh, 4.34 lakh tonnes from Rajasthan, 0.16 lakh tonnes from Uttarakhand, 0.10 lakh tonnes from Chandigarh and 0.04 lakh tonnes from Gujarat. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

Previous Updates:

Government has increased MSP of wheat by Rs 105 per quintal to Rs 1840 per quintal for MY 2019-20.

As per latest update, area sown until 22nd February-19 is 299.68 lakh hectares compared to 300.12 lakh hectares in the previous Rabi season. The normal area is 306.29 lakh hectares. Acreage of wheat in Madhya Pradesh is higher as farmers have shifted from chickpea. This year, as on 01st February-19, farmers have sowed 60.00 lakh hectares of wheat in Madhya Pradesh compared to 53.16 Lakh hectares last year on same date. Lower acreage was reported in Maharashtra and Gujarat due to low availability of water.

Sowing Status:

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State Wise Wheat Sowing in Lakh Hectares					
State	Normal area (2019)	2017	2018	2019	% Change 2019 vs. 2018
Bihar	21.18	22.95	23.27	22.87	-1.72
Chhattisgarh	1.05	1.73	1.85	1.68	-9.19
Gujarat	10.85	9.96	10.76	8.07	-24.97
Haryana	25.46	25.38	25.26	25.16	-0.40
Himachal Pradesh	3.48	3.59	3.6	3.50	-2.78
J&K	2.94	2.31	2.93	2.44	-16.88
Jharkhand	1.76	2.08	2.31	1.64	-29.07
Karnataka	1.95	1.57	2.09	1.50	-28.37
Madhya Pradesh	57.24	64.22	53.16	60.00	12.87
Maharashtra	10.24	10.52	9.4	5.69	-39.44
Punjab	35.06	35	35.1	35.02	-0.23
Rajasthan	30.26	30.67	30.2	28.25	-6.46
Uttar Pradesh	97.44	100.52	98.67	99.13	0.47
Uttarakhand	3.47	3.59	3.58	3.45	-3.63
West Bengal	3.30	3.39	1.36	1.05	-22.79
Others	0.61	0.21	0.75	0.23	-69.33
All-India	306.29	317.81	304.29	299.68	-1.52

Source: Ministry of Agriculture

Wheat Procurement RMS 2018-2019 (Source: FCI)

State	Target for Procurement In Marketing Season 2018-19(April To March)	Comparative Procurement RMS 2018-19 and 2017-18 (Fig In Million Metric Tonnes)		
		In Marketing Season 2018-19	In Marketing Season 2017-18	% Ch Over Previous Year
Haryana	7.40	8.74	7.43	17.63
Madhya Pradesh	6.70	7.29	6.73	8.32
Punjab	11.90	12.69	11.70	8.46
Rajasthan	1.60	1.53	1.25	22.40
Uttar Pradesh	4.00	5.09	3.70	37.57
Others	0.10	0.19	0.02	850.00
All-India	32.00	35.53	30.83	15.24

Monthly Average Price Comparison:

All India average monthly prices for wheat decreased by 0.25 percent from Rs 2024.23 in March -2019 to Rs 2019.15 per qtl in April -2019. Average prices remained firm in all major states except Assam, Karnataka, Uttarakhand and Uttar Pradesh.

Prices are likely to stay steady to slightly firm as arrival pressure is likely to ease in domestic market. Import duty of 40% on wheat will ensure there are no imports from Australia and Russia/Ukraine. Import restriction due to duty has provided favourable prices for wheat in domestic market. However, domestic prices are not able to get support from exports as other major producing country are able provide wheat at lower prices.

Mill Delivery Wheat Weekly Average Price Movement at key Spot Market:

Average mill delivery prices of Wheat traded firm in Ahmedabad, Indore, and Kota and Delhi during 19th -25th April-2019.

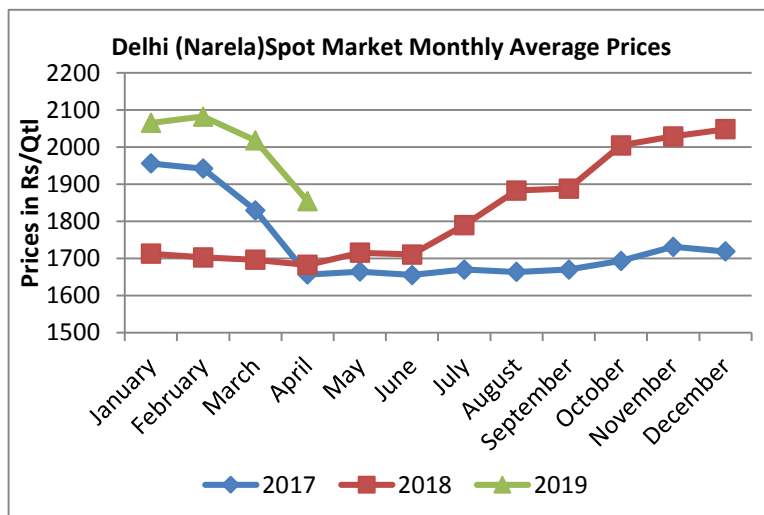
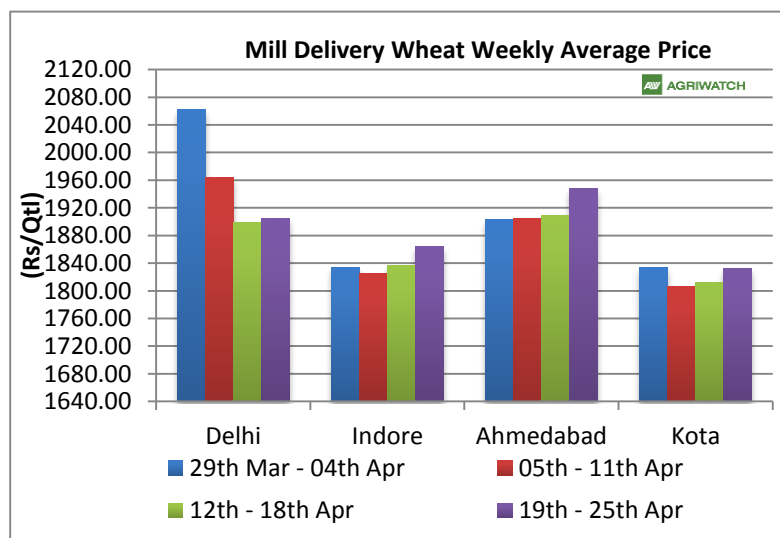
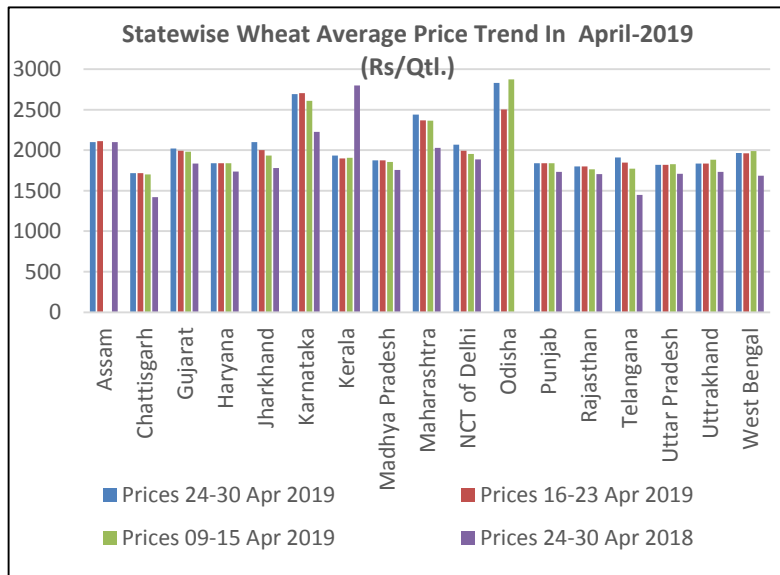
Government has increased import duty on wheat from 30 percent to 40 percent to put a complete halt on wheat imports. Weather aberrations in past weeks have caused damages to wheat crop in various states. However, domestic stock position is good leaving no room for unexpected increase in prices. Sales through OMSS in MY 2018-19 is higher compared to MY 2017-18.

Wheat Delhi Average Monthly Price:

Wheat spot market Delhi (Narela) average price decreased from Rs 2018.00 per quintal in March-2019 to Rs 1854.00 per quintal in April-2019. Prices are likely to touch Rs 1890-2020 per quintal in Narela market.

The prices are weak by 8.13 percent compared to last month and firm by 10.21 percent compared to corresponding month last year. Arrivals in Narela have increased by 10700 quintal to 16400 quintal in the month of April-2019.

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Wheat Exports:

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According to latest update, India exported around 10.69 thousand tonne wheat in the month of March-2019.

It is around 4.34 thousand tonnes higher compared to export quantity (6.35 thousand tonne) in February-2019. Overall condition for Indian wheat export is not favourable and export volume would remain low in coming months.

Export volume would increase but not much as prices in domestic market still ruling higher and other exporting countries are offering wheat at cheaper price (\$62 to \$84 per tonne lower from domestic price) with assured quality and delivery schedule. Huge gap between prices continue to affect wheat export from India.

Source: DGCIS/Trade

Year/Month	Wheat Export (Lakh Tonnes)	Average FoB (\$/T)	CBOT Average Quotes (\$/MT)
Apr 13 to Mar 14	55.59	282.82	241.6
Apr-14 to Mar-15	27.5	279.96	230.37
Apr-15 to Mar-16	2.01	294.88	179.9
Apr-16 to Mar-17	2.65	338.38	157.04
Apr-17 to Mar-18	2.11	NA	162.36
18-Apr	4.24	374.35	174.48
18-May	2.30	357.87	190.47
18-Jun	2.17	432.95	183.99
18-Jul	0.72	460.63	186.40
18-Aug	1.91	420.97	197.78
18-Sep	2.80	381.68	185.83
18-Oct	5.09	315.91	187.85
18-Nov	2.73	416.11	184.75
18-Dec	3.62	388.58	190.16
19-Jan	4.51	375.89	190.06
19-Feb	6.35	403.91	183.59
19-Mar	10.69	341.00	166.39
Total 2018-19(000T)	47.13	389.15	185.15

Wheat Import:

India imported around 5.02 lakh tonne wheat during MY 2015-16. In 2017-18 MY India imported 1.6 MMT compared to around 6 MMT in last MY 2016-17.

India has not imported wheat during the month of March-2019 compared to 1.00 thousand tonnes of milling wheat from Pakistan in September-18. Imports are expected to remain at lower side this year due to good domestic availability.

FoB quote in Black Sea region are hovering around \$218.00 per tonne in Russia and \$209.50 per tonne in Ukraine. Australia and France are also providing wheat at \$ 202.35 per tonne and Euro 180.00 per tonne. Government has increased import duty from 30% to 40% in order to curb imports and provide support to domestic prices.

Source: DGCIS/Trade

Year/Month	Wheat Import (In Thousand Tonne)	Average CiF (\$/T)	CBOT Average Quotes (\$/MT)
Apr-17 to Mar-18	1616.97	NA	162.36
18-Apr	0.00	NA	174.48
18-May	0.00	NA	190.47
18-Jun	0.00	NA	183.99
18-Jul	0.00	NA	186.40
18-Aug	0.00	NA	197.98
18-Sep	1.00	239.50	185.83
18-Oct	0.00	0.00	187.85
18-Nov	0.00	0.00	184.75
18-Dec	0.00	0.00	190.16
19-Jan	0.00	0.00	190.06
19-Feb	0.00	0.00	183.59
19-Mar	0.00	0.00	166.39
Total 2018-19	1.00	239.50	185.15

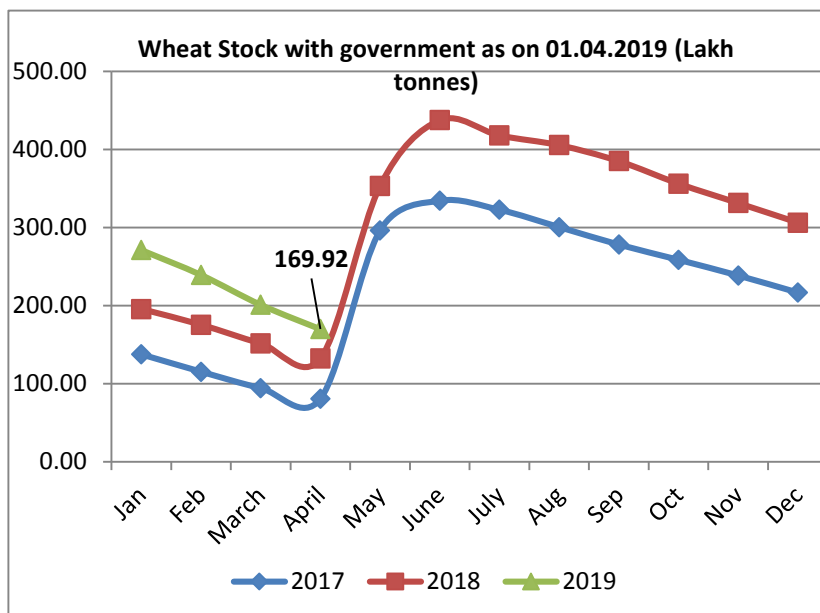
Wheat Stock with the Government

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Wheat stock in government's warehouses on 01.04.2019 was around 169.92 lakh tonne. It is lower by 15.50 % from March-2019. Stock in central as on 01st April'19 is highest in last three years. Government has procured intensively and has surpassed its procurement target in MY 2018-19.

Government has set reserve price at Rs 1900 per quintal for the second quarter, which will be increased by Rs 25 per quintal in each of two upcoming quarters i.e. second and fourth quarters

Higher stock position will enable the government to counter any unexpected rise in prices. Government has increased its procurement target to 35.70 MMT for MY 2019-20.



Wheat Inflation:

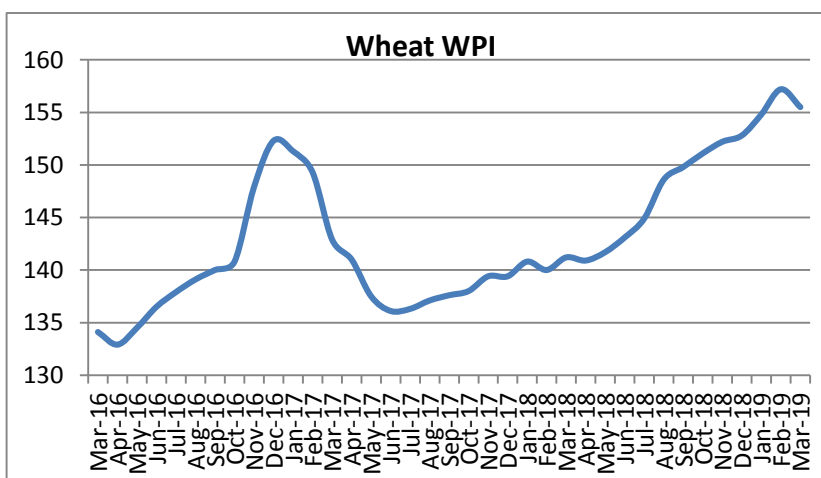
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Month/Year	2015	2016	2017	2018	2019
Jan	126.3	134.1	151.3	140.8	154.8
Feb	125.9	134.1	149.3	140.0	157.8
Mar	125.9	134.1	142.9	141.2	155.5
Apr	125.1	132.9	141.0	140.9	
May	124.1	134.5	137.5	141.7	
Jun	122.3	136.5	136.1	143.1	
Jul	124.8	137.9	136.3	144.9	
Aug	126.1	139.1	137.1	148.6	
Sep	126.2	140.0	137.6	149.8	
Oct	128.5	140.8	138.0	151.1	
Nov	129.9	147.9	139.4	152.2	
Dec	131.9	152.3	139.4	152.8	

Wheat WPI has decreased from 157.2 in February-2019 to 155.5 in March-2019. Monthly wheat inflation has decreased by 1.08 percent in March-2019 compared to previous month. As compared to March-2018 wheat WPI has increased by around 10.13 percent. Wheat WPI is expected to stay steady to weak in coming month.

Food grains WPI decreased by 0.5 in March-19 to 153.4 compared to 153.9 in February-19.

Weight: 1.02823, base year-2011-12=100



Monthly Average Spot Prices

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Monthly Average Prices At Various Market(Rs/Quintal)					
Month	Delhi	Indore	Kota	Rajkot	Chennai
18-Mar	1779.40	1777.04	1707.04	1685.00	2084.55
18-Apr	1764.20	1731.88	1674.57	1636.80	2011.30
18-May	1753.52	1808.6	1773.46	1753.89	2100.77
18-Jun	1752.60	1857.14	1782.80	1802.50	2146.00
18-Jul	1899.42	1967.40	1911.15	1966.20	2228.46
18-Aug	1977.69	2042.21	1951.46	2012.20	2320.42
18-Sep	2022.29	2076.67	2013.16	2049.21	2340.00
18-Oct	2048.60	2077.75	2016.67	2056.04	2316.67
18-Nov	2053.26	2087.50	2043.95	2092.22	2405.79
18-Dec	2073.60	2065.22	2059.17	2108.40	2352.50
19-Jan	2098.80	2132.73	2052.75	2123.96	2378.75
19-Feb	2105.63	2045.00	2070.65	2092.29	2379.13
19-Mar	2092.08	1965.94	1964.78	1924.72	2242.39
19-Apr	1940.42	1861.18	1828.64	1865.65	2168.18

Source: Agriwatch

[Monthly Price Comparison of Spot Markets](#)
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Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			2-May-19	1-May-19	25-Apr-19	2-Apr-19	2-May-18
Delhi	Lawrence Road	Mill Delivery	1905	1895	1900	2060	1720
	Narella	Mill Quality Loose	1840	Closed	1825	1950	Closed
	Nazafgarh	Mill Quality Loose	1760	Closed	1750	NA	Closed
Gujarat	Rajkot	Mill Delivery	1910	1900	1875	1850	1720
	Ahmedabad	Mill Delivery	1960	1960	1960	1910	1720
	Surat	Mill Delivery	2020	2020	2000	1950	1780
	Dhrol	Mill Delivery	2130	2130	2110	2505	1600
M.P.	Indore	Mill Quality Loose	1850	1850	1860	1900	1780
	Bhopal	Mill Delivery	1750	1750	1750	1850	1650
Rajasthan	Kota	Mill Quality Loose	1770	1770	1770	1715	1630
		Mill Delivery	1900	1900	1900	1825	1750
U.P.	Kanpur	Mill Delivery	1790	1795	1785	2150	1720
	Mathura	Mill Quality Loose	1705	1705	1690	1850	1565
	Kosi	Mill Quality Loose	1770	1770	1875	1800	1572
	Hathras	Mill Quality Loose	1730	1860	1740	1925	1680
	Aligarh	Mill Quality Loose	1725	Closed	1715	1825	Closed
Punjab	Khanna	Mill Quality Loose	1840	1840	1840	1860	1735
	Ludhiana (Jagraon)	Mill Delivery	1865	1870	1875	NA	1760
Haryana	Sirsa	Mill Delivery loose	1840	1840	1840	1865	1735
	Hodal	Mill Delivery	NA	NA	NA	2000	1750
	Bhiwani	Mill Quality Loose	1840	1840	1850	1930	1725
	Karnal	Mill Quality Loose	NA	NA	NA	NA	NA
	Panipat	Mill Quality Loose	1840	1840	1840	NA	1735
Tamil Nadu	Chennai	Mill Quality	2200	2200	2150	2250	2050
	Madurai	Mill Quality	2257	2300	2275	2350	2200
	Coimbatore	Mill Quality	2257	2350	2325	2400	2250
Bihar	Khagariya	Mill Delivery	1700	1700	1700	1800	1550
	Muzaffarpur	Mill Delivery	1700	1700	1680	2100	1550

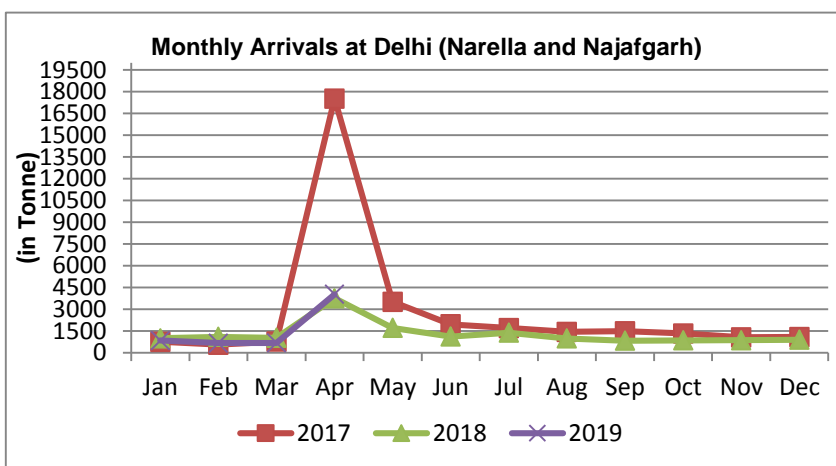
Monthly Arrivals at Delhi

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Arrivals in Delhi region (Narela and Najafgarh) increased to 4030 tonnes in April-2019 compared to 677 tonnes in March-2019. Currently wheat is being traded around Rs 1840-1860 per quintal in Narela.

Domestic Outlook:

Wheat cash market is expected to trade steady to slightly firm in May-19 under normal conditions.



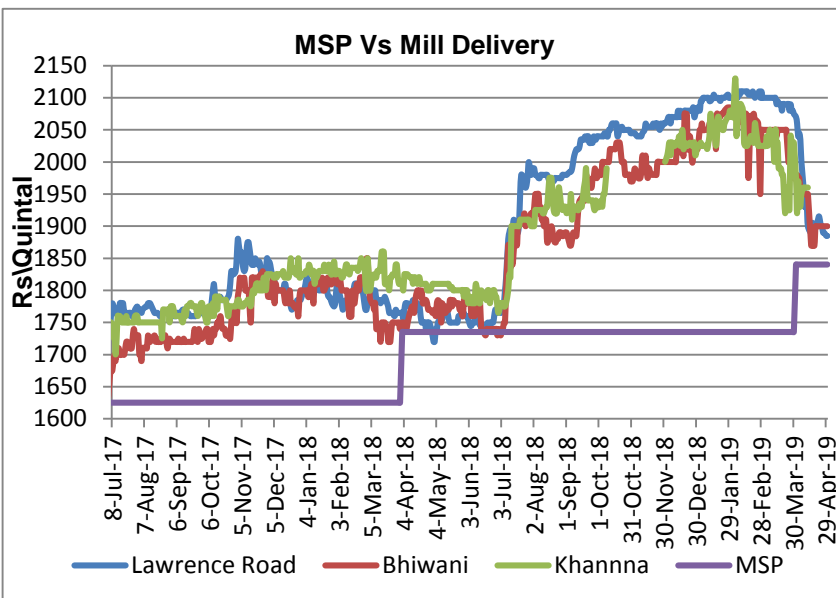
MSP Vs Mill Delivery Prices

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As of now mill delivery prices in Lawrence road, Karnal and Khanna market are above MSP and are likely to move steady to slightly firm in coming weeks.

Government increased minimum support price (MSP) of wheat from Rs 1735 per quintal in 2018-19 to Rs 1840 per quintal in 2019-20. As the chart depicts mill delivery prices remained above MSP during MY 2018-19.

Government has set procurement target of 35.7 MMT in MY 2019-20 compared to 32.0 MMT in MY 2018-19. In the previous season government surpassed its procurement target and procured 35.5 MMT.



Wheat Technical Analysis:
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* Do not carry-forward the position next month.

International Market Dynamics

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Australia has started sowing wheat in dry soil conditions for the third consecutive year. If the current weather condition persists, wheat production will be around 18.00 MMT. However wheat prices will not spike due to ample availability in global market. Traditional buyer of Australian wheat, such as Indonesia, have turned to Russia and Ukraine to secure supplies.

Favourable weather during spring season in black sea region has increased the probability of bumper grain harvest. The level of soil moisture is good in major grain producing regions. As per IGC, Russia and Ukraine are expected to produce 79.50 MMT and 27.50 MMT of wheat in 2019-20. Black sea is likely to dominate global exports in 2019-20.

Algeria state grains agency OAIC has bought around 200000 tonnes of durum wheat in a tender that closed on Wednesday. The prices paid were in the range of \$268.00 - \$270.00 per tonne (Cost and Freight). Most of the quantity is expected to be sourced from Canada. Algeria does not disclose the results of its tenders and purchase reports are based on trade assessments. The quantity is to be shipped between in the month of June.

As per latest update, Tunisia has bought around 92000 tonnes of soft milling wheat in three consignments of 25000 tonnes each and one of 17000 tonnes. The consignments were bought in the range of \$210.98-228.22 per tonnes C&F. The sellers were Cofco and Cargill. The said quantity is to be delivered between late May and early July.

Taiwan flour mills association has bought 109175 tonnes of milling wheat from United States. Of the total quantity, 29250 tonnes of U.S. dark northern spring wheat of 14.5 percent protein content bought at FoB \$230.81 per tonne, 18400 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$220.41 per tonne, 6525 tonnes of white wheat of 9 percent protein content was bought at FoB \$218.60 per tonne, 30260 tonnes of dark northern spring wheat of 14.5 percent protein content was bought at FoB \$229.65 per tonne, 17935 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$216.71 per tonne, and 6805 tonnes of red winter wheat of 12.5 percent protein content was bought at FoB \$219.30 per tonne.

As per SovEcon, Russia is expected to export 1.7 MMT during April'19. During March'19 Russia has exported 1.89 MMT. Russia has exported around 31.08 MMT during July'18- March'19. Russia's exports have slowed down due to low demand.

Bangladesh has bought 50000 tonnes of wheat with 12.5 percent protein content from trading house Agrocorp at \$268.92 per tonne. As per FAO Bangladesh's wheat imports for 2018-19 are expected to touch record high of 6 MMT. Demand for wheat in Bangladesh has increased as wheat is being substituted for more expensive rice.

As per latest update, Egypt has rejected French around 63000 tonnes of wheat shipment due to high ergot content. Ergot level was found at 0.1 percent whereas the acceptable limit is 0.05 percent. Earlier Egypt has rejected Romanian wheat due to a non-specified "quality issue".

As per latest update by ABARES, Australia is likely to produce 23.9 MMT of wheat in 2019-20 compared to 17.30 MMT in 2018-19. The forecast for 2019-20 is slightly lower than 10-year average of 23.9 MMT. The wheat output will rise only if rain arrives on time as farmers will be sowing in dry fields during April'19 and expecting rains in next few weeks.

Major feed mill group of South Korea has purchased around 65000 tonnes of feed wheat at \$212.99/tonne cost and freight. Around \$1.25 per tonne will be charged for port unloading. Feed wheat can be sourced from any optional worldwide origins. The seller is believed to be trading house Olam.

Global Wheat Average FoB

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Month	US SRW2*	US HRW2*	Argentina P1*	Ukraine 12.5%*	Russia 12.5%*	Rouen 11%**	Australia ASW1***	Australia APW2***
Mar-18	207.81	262.21	230.00	206.43	207.43	159.13	269.62	279.62
Apr-18	211.06	250.57	230.00	210.58	211.74	161.69	276.08	281.05
May-18	226.06	261.00	203.42	208.48	211.78	165.17	291.61	293.13
June-18	216.21	247.86	203.73	199.24	202.26	170.69	301.95	302.85
July-18	216.24	241.31	213.00	203.70	204.91	193.27	296.86	297.68
Aug-18	222.95	251.50	233.00	228.80	228.89	212.11	344.30	345.65
Sep-18	217.59	243.78	273.24	217.63	218.48	201.26	352.11	350.58
Oct-18	216.38	242.06	221.33	227.41	228.59	203.00	347.45	354.38
Nov-18	218.01	237.76	219.65	224.31	225.60	201.51	337.98	342.77
Dec-18	223.86	243.75	228.26	230.61	232.19	202.63	344.42	354.37
Jan-19	225.53	241.30	233.46	239.83	240.38	202.72	349.33	358.19
Feb-19	222.47	237.20	240.80	240.35	240.90	194.38	331.85	334.95
Mar-19	211.27	224.44	225.47	224.53	225.80	183.57	320.71	318.45
Apr-19	202.52	217.15	219.40	223.20	224.08	183.65	301.66	301.16

Source: Reuters

*Figures in \$/Tonne

** Figures in Euro/Tonne

*** Figures in AUD/Tonne

Indicative Freight Quotes

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Date	Freight(\$/T)	Freight(\$/T)	Freight(\$/T)	Freight(\$/T)
05.04.2019	9.30	20.02	37.90	32.34
12.04.2019	9.10	19.86	37.83	32.25
19.04.2019	9.46	20.30	37.64	32.09
26.04.2019	9.57	20.54	38.04	32.38
01.03.2019	7.07	17.92	39.68	34.00
08.03.2019	7.20	17.96	40.91	35.17
15.03.2019	7.25	18.08	39.43	33.76
22.03.2019	8.26	19.14	38.41	32.80
29.03.2019	9.15	19.73	38.04	32.49
Vessel Class: Panamax	PoL: Novorossiysk, PoD: Damietta	PoL: Novorossiysk, PoD: Jeddah	PoL: Odessa, PoD: Japan	PoL: Odessa, PoD: Chittagong

Source: Reuters

Global Policy Developments

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Brazil: To reflect higher production costs, Brazil approved new minimum guarantee prices for all wheat grain and seed varieties for the agriculture year 2019/20. Prices were raised by 12.16 percent on average compared to 2018/19 and vary according to region and wheat type. In the key producing Southern region, the minimum price for bread wheat was raised to BRL 40.57 per 60 kg (USD 177.2 per tonne), up from BRL 36.17 (USD 157.8 per tonne); and prices of wheat seeds increased from BRL 1.48 per kg (USD 39 per tonne) to BRL 1.66 per kg (USD 43 per tonne).

Canada: Agriculture and Agri-Food Canada announced an investment of up to CAD 6.2 million (USD 4.6 million) funded through the Agri-Marketing Program to assist the Canadian International Grains Institute in expanding market access opportunities for wheat through technical support, market research, employee exchanges and customized training for customers and commercial partners worldwide.

Australia and Indonesia: Australia and Indonesia signed a Comprehensive Economic Partnership Agreement (IA-CEPA) under which Indonesia will issue automatic import permits for duty-free access of 500000 tonnes of feed grains, including wheat, in the first year. The tariff quota volume will be increased by 5 percent annually thereafter. IA-CEPA is expected to come into force in 2020, pending ratification by the Indonesian House of Representatives and the Australian Parliament.

Russia: The Russian Federation, Kazakhstan and Iran signed a Memorandum of Understanding on wheat trade cooperation. Among other features, the agreement paves the way for the Russian Federation and Kazakhstan to use Iran's logistical capabilities and transit routes to deliver wheat exports to third countries.

Spot Prices Black Sea Region

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Date	20.03.2019	03.04.2019	10.04.2019	17.04.2019	24.04.2019
Odessa, FOB(\$/tonnes)					
Milling wheat 12.5%	223.0-228.0	223.0-228.0	222.0-227.0	221.0-225.0	218.0-223.0
Milling wheat 11.5%	217.0-221.0	218.0-222.0	216.0-221.0	213.0-219.0	213.0-217.0
Feed wheat	212.0-216.0	213.0-216.0	211.0-215.0	208.0-214.0	208.0-212.0
Novorossiysk, FOB(\$/tonnes)					
Milling wheat 12.5%	225.0-230.0	223.0-229.0	222.0-227.0	222.0-226.0	219.0-223.0
Milling wheat 11.5%	217.0-222.0	222.0-226.0	221.0-225.0	220.0-226.0	217.0-222.0
Feed wheat	208.0-212.0	213.0-216.0	212.0-215.0	211.0-216.0	208.0-212.0

Source: Reuters

Forward Prices for 2018 Crop Black Sea Region

Origin	Commodity	Delivery period	Price (USD/MT)	
			17.04.19	24.04.19
Russia	Wheat, 12.5% protein	June-July	NA	NA
Ukraine	Wheat, 11.5% protein	June-July	NA	NA
Ukraine/Russia	Feed wheat	June-July	NA	NA

Source: Reuters

IGC Wheat Balance Sheet (Quantity in MMT)

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IGC Forecast(Fig-In MMT)	2016-17	2017-18 (Estimate)	2018-19 (Forecast)	2019-20 (Proj.)	
				28.03.2019	25.04.2019
Production	757	763	735	759	762
Trade	177	176	172	174	174
Consumptions	736	740	741	752	752
Carryover stocks	248	271	264	270	274
Y-O-Y change	21	23	-6	-	10
Major Export	78	82	68	68	72

IGC Balance Sheet Highlight:

- IGC has forecasted global wheat production to be 762 MMT for 2019-20. According to forecast by IGC for 2018-19, global wheat production was around 735 MMT against 763 MMT for 2017-18. The forecast for global production is higher by 27 MMT compared to forecast for 2018-19. IGC has projected higher production for 2019-20.
- Trade forecast for 2019-20 has been increased to 174 MMT. It is 2 MMT higher compared to forecast for last year and lower by 2 MMT compared to 2017-18.
- Consumption has been increased to 752 MMT for 2019-20. The projection is higher by 11 MMT compared to 2018-19.
- Carryout for 2019-20 is projected at 274 MMT compared to forecast of 264 MMT last year. It is higher by around 3 MMT compared to 2017-18.

USDA Balance Sheet

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USDA Global Wheat Balance Sheet: 2018-19 Fig. In Thousand Tonne (As on 01.05.2019)							
Country	Opening Stock 2018-19	Production projected 2018-19	Domestic Consumption 2018-19	Import 2018-19	Export 2018-19	Ending Stock 2018-19	Production 2017-18
Argentina	939	19,500	5,700	10	13,000	1,049	18,500
Australia	5,868	17,300	9,200	150	10,000	4,118	21,300
Canada	5,920	31,800	9,300	450	24,000	4,870	29,984
China	131,263	131,430	125,000	3,500	1,200	139,993	134,334
EU	14,118	137,600	123,000	6,200	24,000	10,718	151,264
India	13,203	99,700	95,000	100	500	17,503	98,510
Pakistan	4,828	25,500	25,300	5	1,200	3,533	26,674
Russia	12,043	71,685	40,500	500	37,000	6,728	85,167
Ukraine	1,238	25,057	8,700	60	16,500	1,155	26,981
U S	29,907	51,287	29,842	3,850	27,300	29,579	47,380
Others	62,560	122,010	264,753	160,681	24,288	56,360	123,099
World total	281,887	732,869	736,295	175,506	178,988	275,606	763,193

Source: USDA

CBOT Futures Mar-19 Chart:

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1st Support: 152.00
2nd Support: 149.00
1st Resistant: 190.00
2nd Resistant: 193.00
(\$ per tonne)

Wheat CBOT closed at \$4.28 per bushel down by \$ 0.36 per bushel compared to previous month. U.S. wheat export sales during 28th March- 25th April was 1842716 tonnes compared 1658966 tonnes during 28th Feb-21st March. Wheat CBOT recovered in previous week on technical buying and short covering. However, this upper trend will be limited by ample global supplies and better than expected U.S. winter wheat condition. Wheat CBOT is likely to remain steady to weak in upcoming weeks with small technical recoveries.



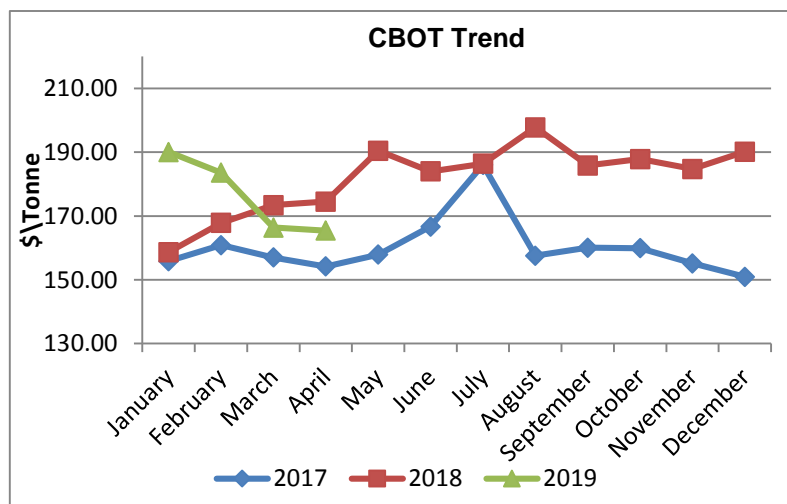
CBOT comparison over period of time:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over prev. year
	1-May-19	24-Apr-19	1-Apr-19	1-Feb-19	1-Nov-18	1-May-18	
May-19	156.15	158.81	170.01	194.08	196.28	214.84	-27.32
Jul-19	160.19	161.10	171.94	195.46	198.58	215.11	-25.53
Sep-19	162.85	163.86	174.79	198.21	203.26	216.58	-24.81
Dec-19	168.82	170.01	180.03	202.80	209.42	220.53	-23.45
Mar-20	174.88	176.17	184.99	206.20	213.73	223.93	-21.90
May-20	178.56	179.75	187.56	207.67	216.21	223.84	-20.23

CBOT Trend

CBOT remains weak from July to December under normal conditions as shown in the chart.

CBOT average monthly price for April'19 is lower by \$ 9.06 per tonne compared to last year for the same month and down by \$ 0.96 per tonne compared to March'19. USDA estimates production to be around 51.28 million tonnes with yields around 3.20 MT/HA compared to 47.34 million tonnes with yields around 3.12 MT/HA in 2017-18.



Comparative Month on Month FOB quotes: (Fig in USD/MT)

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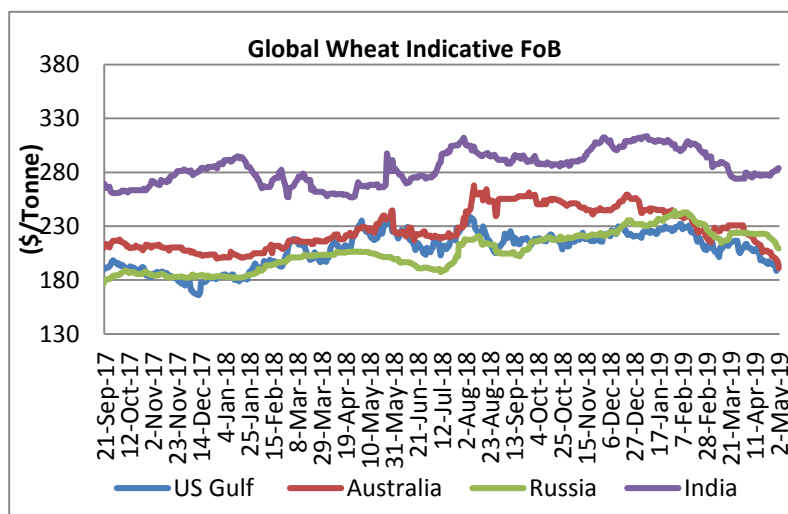
All prices are for SRW/milling grade	1st Nov-18	1st Dec-18	1st Jan-19	1st Feb-19	1st Mar-19	1st Apr-19	1st May-19
USA	216.00	215.50	221.00	226.50	209.51	204.92	191.00
France	196.75	200.25	204.25	203.25	214.17	206.87	201.24
Australia	251.12	245.28	253.21	239.40	220.81	230.75	197.38
Russia	219.50	221.50	232.00	244.00	231.00	224.00	209.50
India	286.47	311.07	312.14	305.86	298.58	274.29	282.53

Global Indicative FoB Quotes:

Indian FoB quote is based on local price. There is no export in bulk currently. Indian FoB quote is hovering between \$274.16-284.01 per tonne.

US and Russian quotes are hovering in the range of \$188.54-213.40 and \$209.50-224.00 per tonne respectively. Wheat prices in international markets remained steady to firm in last week.

Wheat is expected to trade steady to slightly weak and hover in the range of \$175 to \$240 in coming week.



International Outlook:

Global wheat market is expected to trade steady to weak due to ample global supplies. EU is likely to produce around 149.00 MMT in 2019-20 compared to 137.9 MMT in 2018-19. Russia and Ukraine are likely to harvest 79.50 MMT and 27.50 MMT of wheat in 2019-20 respectively. Production in US is likely to be around 50.70 MMT compared to last year's 51.30 MMT. Australia is likely to produce 22.90 MMT in 2019-20 compared to 17.30 MMT in 2017-18. Argentina is expecting to harvest around 19.10 MMT in 2019-20 compared to 19.5 MMT in 2018-19. Furthermore, Canada is likely to harvest around 32.60 MMT in 2019-20 compared to 31.80 MMT in 2018-19.

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