

Wheat Domestic Fundamentals:

Indian Agricultural Research Institute (IARI) has introduced another variety for upcoming Rabi season known as HD-3226, which is likely to have a weighted average yield of 5.75 tonnes per hectare. The variety is likely to have more protein as well as gluten content compared to HD-2967 and HD-3086. The combined acreage of HD-2967 and HD-3086 is roughly 40 percent of India's total wheat acreage.

Wheat WPI has increased from 153.4 in July-2019 to 156.5 in August-2019. Monthly wheat inflation has increased by 2.02 percent in August-2019 compared to previous month. As compared to August-2018 wheat WPI has increased by around 5.32 percent. Wheat WPI is expected to stay steady to firm in coming month.

All India weekly average prices increased by 0.15 percent to Rs. 2129.75 per quintal during the week ended 15th September 2019. Wheat average price were ruling at Rs 2126.53 per quintal during 01-08 September 2019. As compared to prices in the week 09-15 September 2018, the prices are firm by 2.93 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and likely increase in demand in domestic market.

As per market sources, wheat off-take in past weeks has increased. Government has sold 121400 tonnes of wheat through OMSS in first two tenders during September. During August, sales of wheat through OMSS was 152000 tonnes. Reserve price will be increased by Rs 55 per quintal to Rs 2190 per quintal for October-December'19. Sales are expected to witness an increasing trend in upcoming weeks due to lean season and festive demand. Traders are advised to buy on dip.

India mainly imports from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$336.00 (Rs 23825.76) per tonne and \$435.96 (Rs 30913.92) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai is ruling around Rs 23500-2400 per tonne. Therefore, as of now, there is no parity for wheat imports.

As per trade sources, after increase in import duty to 40 percent imports have decreased substantially. India has imported no wheat in the month of August-19. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 498.77 tonnes in the month of April-2019.

As per latest update, Rajasthan government has sought to increase the ceiling limit for wheat under food security act. In view of the increase in population an additional 26000 tonnes of wheat is required. The existing ceiling is for 4.46 crores beneficiaries whereas the requirement is for 4.82 crores beneficiaries.

Wheat production in Punjab has remained on higher side in past years. However this high production may have led to over exploitation of ground water. Of the total 138 blocks in Punjab around 109 have been marked as over exploited in terms of underground water and the remaining are in safe zone. The number of tube wells have increased from 2.8 lakhs to 14.5 lakhs since 1980s. The rigid cropping pattern of wheat-paddy has also aggravated the problem.

International Market Update:

Indonesian flour mills have bought two varieties (White and Red winter) of United States wheat. Flour millers bought 55000 tonnes. White wheat was purchased at \$255 per tonne Cost & Freight and red winter wheat was purchased at \$245 per tonne Cost & Freight. The said quantity will be delivered in October.

Russian milling wheat prices became weak by \$2 per tonne at Novorossiysk compared to last week. Export quotes are being influenced by ample availability in global market and low demand. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$182-185/tonne. Furthermore increase in Russian wheat crop forecast by 0.5 MMT to 74.90 MMT has also kept prices under pressure.

As per latest update, bumper crop of wheat is expected in France. Farm ministry is estimating the crop to be near 39.45 MMT. Export are expected to reach 11.0 MMT, highest since 2015-16. Good competition can be expected from France on FoB basis. However, freight rates will continue to play a crucial role.

As per latest update, Thailand Feed Mill Association has bought 70000 tonnes of feed wheat through tender. The wheat was bought at \$220.50 per tonne cost and freight for December delivery. Wheat can be sourced from optional origins.

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As per latest update, dry weather in Argentina has hit wheat crop amid expectations of bumper crop. Argentina is expecting to produce 21 MMT of wheat. If the current situation continues wheat crop production in argentine may fall below expectations. Although ample availability in global market will ensure that there are no unexpected increase in prices.

Outlook: Cash market is likely to trade steady to firm in the near term.

Wheat Futures Contact: NCDEX Price							Date:19.09.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Sep	0	2031	2031	2031	2031	0	0	0	-10
19-Oct	+9	2064	2065	2062	2062	30	0	2360	+10
19-Nov	0	2075	2075	2075	2075	60	+60	0	-60

Spread	Sep-19	Oct-19	Nov-19
Spot Narella			
19-Sep	11		
19-Oct		31	
19-Nov			13

Stocks	Demat	In-Process	Total	EDD
	18.Sep.19	18.Sep.19	18.Sep.19	16.Sep.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	30232	0	30232	32450
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 19.09.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Sep-19	18-Sep-19	
Delhi	Lawrence Road	Mill Delivery	2145	2145	Unch
	Narella	Mill Quality Loose	2020	Closed	-
	Nazafgarh	Mill Quality Loose	2025	Closed	-
Gujarat	Rajkot	Mill Delivery	2100	2110	-10
	Ahmedabad	Mill Delivery	2170	2175	-5
	Surat	Mill Delivery	2240	2260	-20
	Dhrol	Mill Quality Loose	2085	2100	-15
M.P.	Indore	Mill Delivery	2160	2160	Unch
	Bhopal	Mill Quality Loose	2050	2060	-10
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2050	10
U.P.	Kanpur	Mill Delivery	2050	2015	35
	Mathura	Mill Quality Loose	1952	1890	62
	Kosi	Mill Quality Loose	1960	1960	Unch
	Hathras	Mill Quality Loose	1890	1890	Unch
	Aligarh	Mill Quality Loose	1920	Closed	-
Punjab	Khanna	Mill Quality Loose	1930	1950	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2000	2000	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2030	2030	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2100	2050	50
	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
			19-Sep-19	18-Sep-19	
Gujarat	Rajkot	Lokwan	2175	2200	-25
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	2150	2050	100
	Baran	Lokwan	1980	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Sep-19	18-Sep-19	
Delhi	Lawrence Road	Mill Delivery	7000	4000	3000
	Narella	Mill Quality Loose	150	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	40	18	22
M.P.	Indore	Mill Quality Loose	5000	4000	1000
Rajasthan	Kota	Mill Quality	4500	2500	2000
U.P.	Kanpur	Mill Quality Loose	800	500	300
	Mathura	Mill Quality Loose	300	400	-100
	Kosi	Mill Quality Loose	200	250	-50
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	400	Closed	-
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	NA	10	-
	Bhiwani	Mill Quality Loose	300	200	100

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	19-Sep-19	18-Sep-19	Change
Atta (50kg) Ordinary	1155	1155	Unch
Maida Grade 1 (50KG)	1333	1333	Unch
Suji (50kg)	1285	1285	Unch
Chokar (50 kg)	850	850	Unch
Chokar (34 kg)	578	578	Unch
Chakki Atta (50kg)	1305	1305	Unch
Chakki Atta (50kg) Special	1330	1330	Unch
Chakki Atta (90kg) Superfine	2412	2412	Unch
Chakki Atta (50kg) Superfine	1340	1340	Unch

Wheat (CBOT) Future Price: 18.09.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	484.25	492.50	481.75	489.50	5.25
20-Mar	490.50	498.75	488.75	495.75	5.00
20-May	494.25	502.50	493.25	500.00	4.75
20-Jul	498.75	506.25	497.25	503.75	5.00
20-Sep	508.00	513.25	505.50	511.25	4.75
20-Dec	519.25	525.75	518.00	524.00	5.00

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