

Wheat Domestic Fundamentals:

As per trade sources, India has imported 588.41 tonnes of Australian wheat during the month of September'19. The wheat has been imported in two lots. The first lot is for 484.74 MT at \$507.50 per tonne and the second lot is for 103.67 MT at \$406.49 per tonne. Both the prices are inclusive of import duty @ 40%. It can be seen that there is no import parity as mill quality and lokwan wheat in south India are being offered around Rs 2400 per quintal and Rs 2600 per quintal respectively. Therefore, the imported wheat is solely for the purpose of mixing to improve the overall quality of wheat.

Wheat WPI has increased from 156.5 in August -2019 to 158.3 in September-2019. Monthly wheat inflation has increased by 1.15 percent in September-2019 compared to previous month. As compared to September -2018 wheat WPI has increased by around 5.67 percent. Wheat WPI is expected to stay steady to firm in coming month.

All India weekly average prices increased by 0.42 percent to Rs. 2135.90 per quintal during the week ended 14th October 2019. Wheat average price were ruling at Rs 2127.05 per quintal during 01-08 October 2019. As compared to prices in the week 09-15 October 2018, the prices are firm by 5.99 percent. Prices are expected to remain steady to firm in coming days due to no import parity and likely increase in demand in domestic market.

Farmers in Punjab's flood affected area are likely to get free wheat seed. The state government will provide high quality wheat seeds to farmers in flood hit districts such as Moga, Jalandhar, Kapurthala, Fazilka, etc. The flood affected 30000 hectares of land therefore, around 30000 quintal of seed will be provided. Although flood adversely affected the crop, it has increased soil moisture for upcoming rabi crops.

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 34.1 MMT in MY 2019-20 lower by 1.6 MMT compared to 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.

The agriculture ministry has proposed to increase Minimum support price (MSP) of wheat from current Rs 1840 per quintal to Rs 1925 per quintal. The proposal is still under consideration. The increase in MSP is likely to boost sowing of wheat.

Monsoon rainfall in India was above average by 10% in 2019. Furthermore, extra rains in June-September will also help in providing adequate soil moisture for winter crops, thereby boosting yields. Under normal conditions another good harvest of wheat may be on the cards in upcoming Rabi season.

Government has sold 513100 tonnes of wheat in OMSS until third tender in September'19. No rakes were sold. State government and bulk consumers bought 201550 tonnes and 311550 tonnes of wheat respectively. In the month of September'19 government has sold 176400 tonnes in three tenders against offered quantity of 5798523 tonnes. For second, third and fourth quarter reserve price will be Rs 2135 per quintal, Rs 2190 per quintal and Rs 2245 per quintal respectively. Stock with millers/traders has diminished and sales through OMSS is likely to witness an increasing trend in upcoming weeks.

As per trade source, India has exported around 17.02 thousand tonnes in the month of August-2019. The quantity in August-2019 was exported at an average FOB of \$ 314.51 per tonne and the major destinations were Nepal, Somalia, Sri Lanka and Reunion. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

International Market Update:

As per latest update, Japan's ministry of agriculture bought 114012 MT of food quality wheat from United States and Canada. Around 60052 MT has been bought from United States and 53960 tonnes from Canada. Japan is the world's sixth largest importer in the world. The quantity is expected to be loaded between 21st November-20th December.

GASC has purchased 295000 tonnes of Ukrainian and Russian wheat through tender. Of the total quantity 115000 tonnes has been sourced from Ukraine and 180000 tonnes has been sourced from Russia. Grain export offered 60000 tonnes of Russian wheat at FoB \$204.72 per tonne, Grain export offered 60000 tonnes of Russian wheat at FoB \$205.15 per tonne, Hakkan offered 55000 tonnes of Ukrainian wheat at FoB \$201.60 per tonne, Posco offered 60000 tonnes of Russian wheat at FoB \$206.50 per tonne and Louis Dreyfus export offered 60000 tonnes of Ukrainian wheat at FoB \$206.67 per tonne

Black sea milling wheat prices became firm by \$6-7 per tonne at Novorossiysk and \$6 per tonne at Odessa port compared to last week. Increase in global demand and farmer's policy to hold on to grains supported the prices. As of now Russian milling wheat with 12.5% protein content at Novorossiysk and Odessa port are being quoted at FoB \$191-196/tonne and FoB \$190-194/tonne.

South Korea's largest animal feed maker has bought, NOFI, has bought around 60000 tonnes of feed wheat at \$225.87 C&F. The quantity is expected to arrive around 20th Jan-2020. The seller is expected to be trading house glencore.

IGC has kept wheat production forecast unchanged at 764 MMT for 2019-20. However, carryover stocks have increased to a decade high at 272 MMT. Milling and feed wheat are expected to be available in abundant quality however high quality wheat is under close watch due to unfavorable weather conditions.

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

Wheat Futures Contact: NCDEX Price							Date:17.10.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Oct	0	2067	2067	2067	2067	0	0	910	0
19-Nov	-10	2121	2121	2110	2115	100	+90	1330	+60
19-Dec	0	2180	2180	2180	2180	0	0	0	0

Spread	Oct-19	Nov-19	Dec-19
Spot Narella			
19-Oct	-33		
19-Nov		48	
19-Dec			65

Stocks	Demat	In-Process	Total	EDD
	16.Oct.19	16.Oct.19	16.Oct.19	14.Oct.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12367	0	12367	13576
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 17.10.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Oct-19	16-Oct-19	
Delhi	Lawrence Road	Mill Delivery	2225	2220	5
	Narella	Mill Quality Loose	2100	Closed	-
	Nazafgarh	Mill Quality Loose	2100	Closed	-
Gujarat	Rajkot	Mill Delivery	2150	2160	-10
	Ahmedabad	Mill Delivery	2270	2260	10
	Surat	Mill Delivery	2325	2325	Unch
	Dhrol	Mill Quality Loose	2220	2235	-15
M.P.	Indore	Mill Delivery	2160	2130	30
	Bhopal	Mill Quality Loose	2100	2040	60
Rajasthan	Kota	Mill Quality Loose	2015	2010	5
		Mill Delivery	2160	2160	Unch
U.P.	Kanpur	Mill Delivery	2090	2080	10
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	1960	1960	Unch
	Aligarh	Mill Quality Loose	1970	Closed	-
Punjab	Khanna	Mill Quality Loose	NA	1960	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2070	2060	10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2125	2125	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2325	2325	Unch
	Madurai	Mill Quality	2382	2382	Unch
	Coimbatore	Mill Quality	2382	2382	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2025	2030	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Oct-19	16-Oct-19	
Gujarat	Rajkot	Lokwan	2250	2225	25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2225	2225	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2225	2215	10
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Oct-19	16-Oct-19	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	200	Closed	-
Gujarat	Rajkot	Mill Quality Loose	400	900	-500
	Dhrol	Mill Quality Loose	28	26	2
M.P.	Indore	Mill Quality Loose	5000	4000	1000
Rajasthan	Kota	Mill Quality	5000	3000	2000
U.P.	Kanpur	Mill Quality Loose	1000	1000	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	250	250	Unch
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	450	Closed	-
Punjab	Khanna	Mill Quality Loose	NA	200	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	700	700	Unch

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

Wheat Products Delhi	17-Oct-19	16-Oct-19	Change
Atta (50kg) Ordinary	1190	1190	Unch
Maida Grade 1 (50KG)	1365	1365	Unch
Suji (50kg)	1330	1330	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	648	648	Unch
Chakki Atta (50kg)	1350	1350	Unch
Chakki Atta (50kg) Special	1375	1375	Unch
Chakki Atta (90kg) Superfine	2493	2493	Unch
Chakki Atta (50kg) Superfine	1385	1385	Unch

Wheat (CBOT) Future Price: 16.10.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	505.75	514.25	504.50	513.25	6.25
20-Mar	512.00	519.00	510.75	518.25	5.00
20-May	518.00	523.25	515.50	523.00	4.75
20-Jul	521.25	526.50	519.25	526.25	4.00
20-Sep	527.50	532.50	526.50	532.50	3.75
20-Dec	539.00	543.25	537.25	543.25	3.50

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