

Wheat Domestic Fundamentals:

All India weekly average prices increased by 2.37 percent to Rs. 2186.54 per quintal during the week ended 23rd October 2019. Wheat average price were ruling at Rs 2135.90 per quintal during 09-15 October 2019. As compared to prices in the week 16-23 October 2018, the prices are firm by 8.35 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.

Wheat MSP for rabi marketing season 2020-21 has been increased by Rs 85 per quintal to Rs 1925 per quintal. The government further said that the increase in MSP is at least 1.5 times of all India weighted average cost of production. This move will motivate farmers to increase sowing of wheat.

As per trade source, India has exported around 10.64 thousand tonnes in the month of September-2019. The quantity in September-2019 was exported at an average FOB of \$ 373.12 per tonne and the major destinations were Nepal, Jordan, UAE and Somalia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per market sources, wheat stock in central pool as on 1st October'19 stood at 393.16 lakh tonnes down by 5.24% compared to last month. This quantity is higher by around 10.36% 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.

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.

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.

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.

International Market Update:

The Saudi Arabia Grain Organization has purchased 605000 tonnes wheat through tender. The wheat was bought at an average price of C&F \$242.51 per tonne. The said quantity will arrive at three different ports. Around 370000 tonnes will arrive at Jeddah port, 180000 tonnes at Dammam and the remaining 55000 tonnes at Jizan port. The wheat is expected to arrive in Saudi Arabia during February-March 2020. The seller has the option of selecting origin.

As per the National Australia Bank, wheat output is likely to be around 15.5 MMT well below the market expectation of 19.0 MMT due to third consecutive year of drought. "It is mainly due to heat, dry weather and frost," said Phin Ziebell, agribusiness economist at NAB.

GASC has purchased 405000 tonnes of Ukrainian, French and Russian wheat through tender. Of the total quantity 60000 tonnes has been sourced from Ukraine, 60000 tonnes has been sourced from France and 285000 tonnes has been sourced from Russia. Cargill offered 55000 tonnes of Russian wheat at FoB \$212.50 per tonne, Hakan offered 60000 tonnes of Ukrainian wheat at FoB \$210.90 per tonne, Garant Logistics offered 60000 tonnes of Russian wheat at FoB \$214.95 per tonne, Hakan offered 55000 tonnes of Russian wheat at FoB \$213.85 per tonne, Glencore offered 60000 tonnes of French wheat at FoB \$210.61 per tonne, Grain export offered 60000 tonnes of Russian wheat at FoB \$215.42 per tonne and Posco offered 55000 tonnes of Russian wheat at FoB \$214.25 per tonne.

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.

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

Wheat Futures Contact: NCDEX Price							Date:24.10.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Nov	-32	2163	2170	2131	2131	20	-60	1460	0
19-Dec	0	2165	2165	2165	2165	0	0	0	0
20-Jan	0	2214	2214	2214	2214	0	0	0	0

Spread	Nov-19	Dec-19	Jan-20
Spot Narella			
19-Nov	-9		
19-Dec		34	
20-Jan			49

Stocks	Demat	In-Process	Total	EDD
	23.Oct.19	23.Oct.19	23.Oct.19	21.Oct.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12218	0	12218	12367
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 24.10.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Oct-19	23-Oct-19	
Delhi	Lawrence Road	Mill Delivery	2210	2200	10
	Narella	Mill Quality Loose	2140	Closed	-
	Nazafgarh	Mill Quality Loose	2100	Closed	-
Gujarat	Rajkot	Mill Delivery	2150	2150	Unch
	Ahmedabad	Mill Delivery	2240	2260	-20
	Surat	Mill Delivery	2310	2320	-10
	Dhrol	Mill Quality Loose	NR	2330	-
M.P.	Indore	Mill Delivery	2225	2225	Unch
	Bhopal	Mill Quality Loose	Closed	2100	-
Rajasthan	Kota	Mill Quality Loose	2000	2010	-10
		Mill Delivery	2125	2150	-25
U.P.	Kanpur	Mill Delivery	2070	2070	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	1960	1960	Unch
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2080	2070	10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	Closed	2170	-
	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	2100	2100	Unch
	Muzaffarpur	Mill Delivery	2025	2025	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Oct-19	23-Oct-19	
Gujarat	Rajkot	Lokwan	2250	2200	50
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	Closed	2350	-
	Bina	Sarbati 306	2550	Closed	-
Rajasthan	Kota	Lokwan Bilty	2225	2200	25
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Oct-19	23-Oct-19	
Delhi	Lawrence Road	Mill Delivery	5000	7000	-2000
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	800	500	300
	Dhrol	Mill Quality Loose	NR	33	-
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	6000	6500	-500
U.P.	Kanpur	Mill Quality Loose	1000	1000	Unch
	Mathura	Mill Quality Loose	NA	NA	-
	Kosi	Mill Quality Loose	250	200	50
	Hathras	Mill Quality Loose	300	200	100
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	NA	NA	-
	Bhiwani	Mill Quality Loose	Closed	300	-

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

Wheat Products Delhi	24-Oct-19	23-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: 23.10.2019					
Contract Month	Open	High	Low	Close	Change
19-Dec	518.00	523.75	515.75	520.75	2.75
20-Mar	524.25	529.25	521.75	526.00	1.75
20-May	529.50	534.00	527.00	531.00	1.50
20-Jul	533.50	537.25	530.75	534.50	1.00
20-Sep	540.00	543.75	538.25	541.25	1.00
20-Dec	550.75	554.50	548.50	552.25	1.25

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.