

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 11th June'18 government has procured around 351.95 lakh tonnes of wheat. Of the total quantity procured, around 126.91 lakh tonnes have been procured from Punjab, 87.39 lakh tonnes from Haryana, 48.09 lakh tonnes from Uttar Pradesh, 72.87 lakh tonnes have been procured from Madhya Pradesh, 15.13 in Rajasthan, 1.02 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh, 0.37 lakh tonnes from Gujarat and 0.03 lakh tonnes from Bihar. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT. Government has abundant supplies this year, which will allow it to control any unexpected price rise.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed slightly weak tone in the week. Traders are not quoting prices for APW due to lower availability. As of now Tuticorin port price ASW at Rs 2095-2105 per quintal and Ukrainian wheat at Rs 1895-1905 per quintal. Wheat supplies are likely to tighten this year.

All India weekly average prices decreased by 0.74 percent to Rs. 1838.83 per quintal during the week ended 08th June 2018. Wheat average price were ruling at Rs 1852.54 per quintal during 24-31 May 2018. As compared to prices in the week 01-08 June 2017, the prices are weak by 1.69 percent. Prices are expected to remain firm in coming days due to decrease in arrivals and increase in import duty.

As per latest update, wheat stock in central pool as on 1st May'18 stood at 353.45 lakh tonnes up by 167.14% compared to last month. This quantity is higher by around 19.24% compared to last year for the same month. Government has surpassed their procurement target of 32 MMT this year. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st May'18 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

As per forecast issued by IMD, southwest monsoon has arrived in south Andaman Sea and is likely to enter kerala in next four days. If this forecast issued by IMD holds, monsoon will arrive at least three days before this year. Furthermore, good rainfall can also be expected in parts of central India in between June 01 and June 15. IMD has already issued that India is likely to have a normal monsoon at 97 percent of LPA.

As per notification issued by CBEC, government has increased import duty on wheat to 30 percent from current 20 percent in order to curb imports and provide support to domestic prices. Government has ample wheat stock this year due to good procurement and increase in import duty will curb inflow of wheat from other countries like Australia and Russia/Ukraine.

As per third advance estimate, India is likely to produce 98.61 MMT of wheat compared to 97.11 MMT in second estimate. The total food grain production is expected at record 279.51 MMT, up by around 0.72% compared to second estimate.

As per trade source, India has exported around 4.24 thousand tonnes in the month of April compared to 1.84 thousand tonnes in March. The quantity in March was exported at an average FOB of \$ 357.32 per tonne and the major destinations were UAE, UK, Sri Lanka, Vietnam and Somalia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per trade source, India has imported around 30780.34 tonne wheat from Australia in the month of February at an average CIF of \$256.50 per tonne. The entire quantity has been imported at Tuticorin port. Furthermore, no wheat has been imported in the month of March due to expectation of good crop.

International Market Update:

Australia is expecting to produce 24 MMT in 2018-19 under normal conditions. Australia has been facing dry condition this year, which is weighing on its production. Recent rainfall in western region has provided some relief. In 2017-18, Australia was able to produce 21.2 MMT due to low yield and acreage compared to 34.4 MMT in 2016-17. Black sea region has been capitalizing on lower production in Australia by capturing Australia's market share in Indonesia.

Russian milling wheat prices remained weak by \$5 per tonne at Novorossiysk and \$0-2 per tonne at Odessa compared to last week. Trading activity is low as traders are waiting for new crop that is likely to approach market soon. Russia is expected to produce around 74 MMT of wheat in 2018-19. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$203.00-206.00/tonne whereas milling wheat with 11.5% protein content at Odessa is being quoted at FoB \$194.00-196.00/tonne.

As per latest update, Japan's ministry of agriculture bought 144522 MT of food quality wheat from United States, Australia and Canada. Around 90590 MT has been bought from United States, 28712 MT with minimum 13.5 percent protein content has been bought from Canada and 25220 MT of standard white wheat has been bought from Australia. Shipments from United States, Australia and Canada will be loaded between Aug 01 and Aug 31, 2018.

Outlook: Cash market is expected to trade steady to weak in the near term.

Wheat Futures Contract: NCDEX Price							Date: 12.06.2018 at 5:00 PM		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
18-Jun	+2	1780	1786	1782	1782	450	-1,070	1600	-910
18-Jul	-6	1790	1792	1785	1785	1040	-400	9100	+810
18-Aug	-22	1855	1855	1803	1803	80	+80	210	+210

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	72			
18-July		3		
18-Aug			18	

Stocks	Demat	In- Process	Total	FED
	11.June.18	11.June.18	11.June.18	11.June.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4400	367	4767	4400
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 12.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Jun-18	11-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1750	1750	Unch
	Narela	Mill Quality Loose	1710	1700	10
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1680	1675	5
	Ahmedabad	Mill Delivery	1800	1815	-15
	Surat	Mill Delivery	1850	1850	Unch
	Dhrol	Mill Quality Loose	1760	1815	-55
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1690	1690	Unch
		Mill Delivery	1760	1760	Unch
U.P.	Kanpur	Mill Delivery	1730	1730	Unch
	Mathura	Mill Quality Loose	1615	1620	-5
	Kosi	Mill Quality Loose	1565	1555	10
	Hathras	Mill Quality Loose	1745	1630	115
	Aligarh	Mill Quality Loose	1610	1600	10
Punjab	Khanna	Mill Quality Loose	1730	1750	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1750	-20
	Hodal	Mill Delivery	1705	1705	Unch

	Bhiwani	Mill Quality Loose	1740	1740	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2140	2140	Unch
	Madurai	Mill Quality	2197	2197	Unch
	Coimbatore	Mill Quality	2197	2197	Unch
Bihar	Khagariya	Mill Delivery	1500	1500	Unch
	Muzaffarpur	Mill Delivery	1465	1465	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Jun-18	11-Jun-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2550	2550	Unch
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	NA	1720	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Jun-18	11-Jun-18	
Delhi	Lawrence Road	Mill Delivery	10000	10000	Unch
	Narella	Mill Quality Loose	600	400	200
	Nazafgarh	Mill Quality Loose	100	150	-50
Gujarat	Rajkot	Mill Quality Loose	800	1200	-400
	Dhrol	Mill Quality Loose	59	58	1
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	6000	4500	1500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	400	700	-300
	Kosi	Mill Quality Loose	1000	1200	-200
	Hathras	Mill Quality Loose	224	450	-226
	Aligarh	Mill Quality Loose	600	500	100
Punjab	Khanna	Mill Quality Loose	600	1500	-900
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	150	100	50
	Bhiwani	Mill Quality Loose	700	600	100

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

Wheat Products Delhi	12-Jun-18	11-Jun-18	Change
Atta (50kg) Ordinary	1050	1050	Unch
Maida Grade 1 (50KG)	1050	1050	Unch
Suji (50kg)	1075	1075	Unch
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1075	1075	Unch
Chakki Atta (50kg) Special	1100	1100	Unch
Chakki Atta (90kg) Superfine	2000	2000	Unch
Chakki Atta (50kg) Superfine	1110	1110	Unch

Wheat (CBOT) Future Price:11.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	520.00	528.25	511.75	514.50	-5.50
18-Sep	536.50	544.25	528.00	530.75	-6.00
18-Dec	559.00	566.25	550.00	553.50	-5.50
19-Mar	577.75	584.50	568.75	572.25	-5.25
19-May	587.50	593.00	580.00	583.00	-5.25
19-Jul	592.00	596.50	582.25	586.25	-4.50

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