

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:

As per Russian Grain Union, Russia is likely to produce 68-69 MMT of wheat. Low rains during May and June is likely to cut yields by around 30 percent. Farmers have not bought fertilizers and crop-protection chemicals due to lower profit margins; this implies that the crop is more susceptible to weather aberrations this year. Wheat CBOT has increased by around 22 percent this year and is likely to stay bullish in near future.

ABARES has cut wheat output in Australia to 21.9 MMT from 23.7 MMT in its previous forecast. As of now Australia is in need of rains for crop development. Western region has been supported by rains in past days whereas eastern region is still waiting for rains. Last year also Australia produced 21.2 MMT in 2017-18.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 14.06.2018 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	17	1782	1800	1800	1800	100	-1420	1600	0
18-Jul	4	1781	1795	1788	1795	230	-160	9340	40
18-Aug	23	1802	1815	1808	1814	60	30	260	50

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	82			
18-July		-1		
18-Aug			21	

Stocks	Demat	In- Process	Total	FED
	12.June.18	12.June.18	12.June.18	11.June.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4767	159	4926	4400
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 14.6.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jun-18	13-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1745	1745	Unch
	Narella	Mill Quality Loose	1700	Closed	-
	Nazafgarh	Mill Quality Loose	1700	Closed	-
Gujarat	Rajkot	Mill Delivery	1700	1690	10
	Ahmedabad	Mill Delivery	1820	1815	5
	Surat	Mill Delivery	1850	1850	Unch
	Dhrol	Mill Quality Loose	1835	1730	105
M.P.	Indore	Mill Delivery	1750	Closed	-
	Bhopal	Mill Quality Loose	2000	Closed	-
Rajasthan	Kota	Mill Quality Loose	1700	1690	10
		Mill Delivery	1760	1760	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1625	1625	Unch
	Kosi	Mill Quality Loose	1560	1560	Unch
	Hathras	Mill Quality Loose	1635	1635	Unch
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1710	1705	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1715	1725	-10
	Hodal	Mill Delivery	1705	1705	Unch

	Bhiwani	Mill Quality Loose	1700	1740	-40
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2130	2140	-10
	Madurai	Mill Quality	2187	2197	-10
	Coimbatore	Mill Quality	2187	2197	-10
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
			14-Jun-18	13-Jun-18	
Gujarat	Rajkot	Lokwan	1875	1850	25
M.P.	Indore	Lokwan	2200	Closed	-
	Bhopal	Lokwan	2000	Closed	-
	Bina	Sarbati 306	2550	Closed	-
Rajasthan	Kota	Lokwan Bilty	1870	1850	20
	Baran	Lokwan	1770	1730	40

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Jun-18	13-Jun-18	
Delhi	Lawrence Road	Mill Delivery	11000	8000	3000
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	70	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1100	1000	100
	Dhrol	Mill Quality Loose	31	40	-9
M.P.	Indore	Mill Quality Loose	4000	Closed	-
Rajasthan	Kota	Mill Quality	5000	6000	-1000
U.P.	Kanpur	Mill Quality Loose	600	600	Unch
	Mathura	Mill Quality Loose	500	1000	-500
	Kosi	Mill Quality Loose	700	900	-200
	Hathras	Mill Quality Loose	350	250	100
	Aligarh	Mill Quality Loose	1200	Closed	-
Punjab	Khanna	Mill Quality Loose	600	1000	-400
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	200	150	50
	Bhiwani	Mill Quality Loose	800	600	200



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

Wheat Products Delhi	14-Jun-18	13-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:13.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	535.00	538.75	514.50	516.50	-18.00
18-Sep	550.00	553.00	531.00	532.75	-17.25
18-Dec	572.50	574.25	554.00	556.00	-16.25
19-Mar	590.00	592.50	573.00	575.00	-15.75
19-May	601.00	601.75	584.25	586.25	-15.00
19-Jul	602.50	604.75	586.75	590.00	-14.00

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