

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: 15.06.2018 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 | 100 | | | |
| 18-July | | -3 | | |
| 18-Aug | | | 20 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|------------|-------------|------------|------------|
| | 14.June.18 | 14.June.18 | 14.June.18 | 11.June.18 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 4926 | 0 | 4926 | 4400 |
| Baran | 30 | 0 | 30 | 30 |

Wheat Daily Prices and Arrivals on 15.6.2018

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 15-Jun-18 | 14-Jun-18 | |
| Delhi | Lawrence Road | Mill Delivery | 1740 | 1745 | -5 |
| | Narella | Mill Quality Loose | 1700 | 1700 | Unch |
| | Nazafgarh | Mill Quality Loose | 1700 | 1700 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1700 | 1700 | Unch |
| | Ahmedabad | Mill Delivery | 1825 | 1820 | 5 |
| | Surat | Mill Delivery | 1870 | 1850 | 20 |
| | Dhrol | Mill Quality Loose | 1710 | 1835 | -125 |
| M.P. | Indore | Mill Delivery | 1750 | 1750 | Unch |
| | Bhopal | Mill Quality Loose | 2000 | 2000 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1700 | 1700 | Unch |
| | | Mill Delivery | 1760 | 1760 | Unch |
| U.P. | Kanpur | Mill Delivery | 1725 | 1725 | Unch |
| | Mathura | Mill Quality Loose | 1650 | 1625 | 25 |
| | Kosi | Mill Quality Loose | 1580 | 1560 | 20 |
| | Hathras | Mill Quality Loose | 1635 | 1635 | Unch |
| | Aligarh | Mill Quality Loose | 1620 | 1600 | 20 |
| Punjab | Khanna | Mill Quality Loose | 1700 | 1710 | -10 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1715 | 1715 | Unch |
| | Hodal | Mill Delivery | 1705 | 1705 | Unch |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 1700 | 1700 | Unch |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2130 | 2130 | Unch |
| | Madurai | Mill Quality | 2187 | 2187 | Unch |
| | Coimbatore | Mill Quality | 2187 | 2187 | 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 |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 15-Jun-18 | 14-Jun-18 | |
| Gujarat | Rajkot | Lokwan | 1850 | 1875 | -25 |
| M.P. | Indore | Lokwan | 2200 | 2200 | Unch |
| | Bhopal | Lokwan | 2000 | 2000 | Unch |
| | Bina | Sarbati 306 | 2550 | 2550 | Unch |
| Rajasthan | Kota | Lokwan Bilty | 1870 | 1870 | Unch |
| | Baran | Lokwan | 1770 | 1770 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 15-Jun-18 | 14-Jun-18 | |
| Delhi | Lawrence Road | Mill Delivery | 7000 | 11000 | -4000 |
| | Narella | Mill Quality Loose | 500 | 400 | 100 |
| | Nazafgarh | Mill Quality Loose | 50 | 70 | -20 |
| Gujarat | Rajkot | Mill Quality Loose | 800 | 1100 | -300 |
| | Dhrol | Mill Quality Loose | 36 | 31 | 5 |
| M.P. | Indore | Mill Quality Loose | 4000 | 4000 | Unch |
| Rajasthan | Kota | Mill Quality | 5000 | 5000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 500 | 600 | -100 |
| | Mathura | Mill Quality Loose | 1500 | 500 | 1000 |
| | Kosi | Mill Quality Loose | 1000 | 700 | 300 |
| | Hathras | Mill Quality Loose | 350 | 350 | Unch |
| | Aligarh | Mill Quality Loose | 1500 | 1200 | 300 |
| Punjab | Khanna | Mill Quality Loose | 700 | 600 | 100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 300 | 200 | 100 |
| | Hodal | Mill Quality Loose | 200 | 200 | Unch |
| | Bhiwani | Mill Quality Loose | 400 | 800 | -400 |

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

| Wheat Products Delhi | 15-Jun-18 | 14-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:14.6.2018 | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Jul | 515.75 | 517.00 | 498.25 | 501.50 | -15.00 |
| 18-Sep | 532.75 | 533.00 | 515.00 | 517.25 | -15.50 |
| 18-Dec | 554.75 | 555.75 | 538.00 | 540.00 | -16.00 |
| 19-Mar | 573.50 | 574.25 | 558.00 | 560.00 | -15.00 |
| 19-May | 584.75 | 584.75 | 570.00 | 571.75 | -14.50 |
| 19-Jul | 589.00 | 589.00 | 574.00 | 576.75 | -13.25 |

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