

Wheat Domestic Fundamentals:

All India weekly average prices increased by 7.64 percent to Rs. 1979.30 per quintal during the week ended 15th June 2018. Wheat average price were ruling at Rs 1838.83 per quintal during 01-08 June 2018. As compared to prices in the week 09-15 June 2017, the prices are weak by 2.70 percent. Prices are expected to remain firm in coming days due to decrease in arrivals and increase in import duty.

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 2090-2100 per quintal and Ukrainian wheat at Rs 1880-1890 per quintal. Wheat supplies are likely to tighten this year.

US submitted a counter notification last month stating that India's MSP for wheat and rice exceeded allowable levels of trade as per WTO agreement on agricultural methodology. India has denied allegations of underreporting MSP on wheat and rice and restated that its methodology is consistent with WTO regulations. US got support from Australia, Canada, Ukraine, New Zealand, Paraguay and EU. Australia has asked India to resubmit its MSP calculations for all products, not just wheat and rice, based on value of production. Furthermore it has also asked India to provide information regarding bonuses and incentives provided by the state.

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.

Wheat WPI has increased slightly from 140.9 in April-2018 to 141.7 in May-2018. Monthly wheat inflation has increased by 0.57 percent in May -2018 compared to previous month. As compared to May-2017 wheat WPI has increased by around 3.05 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

Government agencies have started procurement since 15th March'18. Until 15th June'18 government has procured around 354.93 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, 50.87 lakh tonnes from Uttar Pradesh, 72.87 lakh tonnes have been procured from Madhya Pradesh, 15.27 in Rajasthan, 1.05 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh, 0.37 lakh tonnes from Gujarat and 0.06 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 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.

International Market Update:

Russian milling wheat prices became firm by \$0-1 per tonne at Novorossiysk and \$1-2 per tonne at Odessa compared to last week. As smaller wheat crop is expected in the new season exporters are not willing to sell at current prices. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$204.00-207.00/tonne whereas milling wheat whereas wheat with 11.5% protein content at Odessa is being quoted at FoB \$194.00-197.00/tonne.

GASC has purchased 420000 tonnes of wheat from Russia and Romania. Of the total quantity 300000 tonnes has been purchased from Russia and 120000 tonnes from Romania. The said quantity is likely to be shipped between 15 and 25 July. Egypt is the largest importer of wheat and accounts for around one-third of Russian wheat exports.

Japan has banned Canadian wheat after it found some genetically modified grain. This move by Japan is likely to hurt Canadian farmers as Japan alone buys around CAD 500 million worth wheat from Alberta province. GMO wheat has been banned in most countries due to consumer concerns.

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

Wheat Futures Contract: NCDEX Price							Date: 18.06.2018 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	+3	1800	1800	1800	1800	0	0	1600	0
18-Jul	+21	1797	1820	1799	1818	960	+250	9070	+60
18-Aug	+15	1817	1834	1825	1834	130	-290	730	+60

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	100			
18-July		18		
18-Aug			16	

Stocks	Demat	In- Process	Total	FED
	15.June.18	15.June.18	15.June.18	11.June.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4926	100	5026	4400
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 18.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Jun-18	15-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1740	1740	Unch
	Narella	Mill Quality Loose	1700	1700	Unch
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1710	1700	10
	Ahmedabad	Mill Delivery	1830	1825	5
	Surat	Mill Delivery	1860	1870	-10
	Dhrol	Mill Quality Loose	1755	1710	45
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	1650	Unch
	Kosi	Mill Quality Loose	1580	1580	Unch
	Hathras	Mill Quality Loose	1635	1635	Unch
	Aligarh	Mill Quality Loose	1610	1620	-10
Punjab	Khanna	Mill Quality Loose	1700	1700	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1715	10
	Hodal	Mill Delivery	1705	1705	Unch

	Bhiwani	Mill Quality Loose	1685	1700	-15
	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
			18-Jun-18	15-Jun-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2550	2550	Unch
Rajasthan	Kota	LokwanBilty	1870	1870	Unch
	Baran	Lokwan	1770	1770	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Jun-18	15-Jun-18	
Delhi	Lawrence Road	Mill Delivery	10000	7000	3000
	Narella	Mill Quality Loose	700	500	200
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	1200	800	400
	Dhrol	Mill Quality Loose	72	36	36
M.P.	Indore	Mill Quality Loose	7000	4000	3000
Rajasthan	Kota	Mill Quality	8000	5000	3000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	1000	1500	-500
	Kosi	Mill Quality Loose	800	1000	-200
	Hathras	Mill Quality Loose	300	350	-50
	Aligarh	Mill Quality Loose	800	1500	-700
Punjab	Khanna	Mill Quality Loose	500	700	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	200	200	Unch
	Bhiwani	Mill Quality Loose	500	400	100

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

Wheat Products Delhi	18-Jun-18	15-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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