

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 18th June'18 government has procured around 355.00 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, 50.88 lakh tonnes from Uttar Pradesh, 72.87 lakh tonnes have been procured from Madhya Pradesh, 15.31 in Rajasthan, 1.06 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.

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.

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:

GASC has purchased 240000 tonnes of Romanian wheat through tender. ADM offered two cargoes of 60000 tonnes each at FoB \$203.95 per tonne, CHS offered 60000 tonnes at FoB \$20.95 per tonne and Cargill offered 60000 tonnes at FoB \$203.95 per tonne.

South Korea has followed Japan's suit and banned Canadian wheat and flour. Canada has started working with foreign trade partners to make sure the ban is short lived and necessary clarifications as well as complete information is provided.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 20.06.2018 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	0	1800	1800	1800	1800	0	0	0	-1,600
18-Jul	-14	1825	1825	1815	1815	450	-520	8820	-80
18-Aug	-14	1840	1840	1831	1831	260	-200	1200	+180

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	100			
18-July		15		
18-Aug			16	

Stocks	Demat	In- Process	Total	FED
	19.June.18	19.June.18	19.June.18	18.June.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5026	21	5047	5026
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 20.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jun-18	19-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1750	1745	5
	Narella	Mill Quality Loose	Closed	1700	-
	Nazafgarh	Mill Quality Loose	Closed	1700	-
Gujarat	Rajkot	Mill Delivery	1710	1710	Unch
	Ahmedabad	Mill Delivery	1825	1830	-5
	Surat	Mill Delivery	1860	1860	Unch
	Dhrol	Mill Quality Loose	1855	1905	-50
M.P.	Indore	Mill Delivery	1800	1800	Unch
	Bhopal	Mill Quality Loose	2100	2100	Unch
Rajasthan	Kota	Mill Quality Loose	1720	1720	Unch
		Mill Delivery	1770	1770	Unch
U.P.	Kanpur	Mill Delivery	1735	1725	10
	Mathura	Mill Quality Loose	1640	1630	10
	Kosi	Mill Quality Loose	1575	1565	10
	Hathras	Mill Quality Loose	1635	1640	-5
	Aligarh	Mill Quality Loose	Closed	1590	-
Punjab	Khanna	Mill Quality Loose	1710	1700	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1725	1725	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	2150	2150	Unch
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
Bihar	Khagariya	Mill Delivery	1550	1500	50
	Muzaffarpur	Mill Delivery	1475	1465	10
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jun-18	19-Jun-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	Closed	2550	-
Rajasthan	Kota	LokwanBilty	1890	1890	Unch
	Baran	Lokwan	NA	1770	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Jun-18	19-Jun-18	
Delhi	Lawrence Road	Mill Delivery	8000	9000	-1000
	Narella	Mill Quality Loose	Closed	400	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	900	800	100
	Dhrol	Mill Quality Loose	49	83	-34
M.P.	Indore	Mill Quality Loose	4000	4000	Unch
Rajasthan	Kota	Mill Quality	4000	6000	-2000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	700	500	200
	Kosi	Mill Quality Loose	1100	700	400
	Hathras	Mill Quality Loose	300	950	-650
	Aligarh	Mill Quality Loose	Closed	700	-
Punjab	Khanna	Mill Quality Loose	1200	700	500
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	150	150	Unch
	Bhiwani	Mill Quality Loose	500	800	-300

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

Wheat Products Delhi	20-Jun-18	19-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:19.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	489.50	490.50	467.50	477.75	-12.25
18-Sep	501.00	501.25	480.00	489.50	-12.00
18-Dec	520.00	521.00	501.75	509.25	-12.00
19-Mar	539.25	539.25	521.50	527.75	-12.00
19-May	549.50	550.00	535.00	540.00	-12.50
19-Jul	557.75	557.75	540.25	545.75	-12.75

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