

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 0.69 percent to Rs. 1965.68 per quintal during the week ended 23rd June 2018. Wheat average price were ruling at Rs 1797.30 per quintal during 09-15 June 2018. As compared to prices in the week 16-23 June 2017, the prices are weak by 2.25 percent. Prices are expected to remain firm in coming days due to decrease in arrivals and increase in import duty.

As per trade source, India has exported around 2.31 thousand tonnes in the month of May compared to 4.24 thousand tonnes in April. The quantity in March was exported at an average FOB of \$ 357.87 per tonne and the major destinations were Oman, South Africa, Congo, US, and Singapore. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

Government agencies have started procurement since 15th March'18. Until 22nd June'18 government has procured around 355.04 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, 1.07 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh, 0.37 lakh tonnes from Gujarat, 0.09 lakh tonnes from Bihar and 0.01 lakh tonnes from Himachal Pradesh. 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 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.

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.

International Market Update:

Russian milling wheat prices became firm by \$5-7 per tonne at Novorossiysk and \$3 per tonne at Odessa compared to last week. Harvesting in southern regions of both Ukraine and Russia has started that is keeping prices under pressure. 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 with 11.5% protein content at Odessa is being quoted at FoB \$194.00-197.00/tonne.

As per latest update, Japan's ministry of agriculture bought 91188 MT of food quality wheat from United States and Australia. Around 65943 MT has been bought from United States and 25245 MT of standard white wheat has been bought from west Australia. Shipments from United States and Australia will be loaded between Aug 01 and Aug 31, 2018.

China's wheat output is likely to drop by around 20 percent this year due to aberration in weather in major growing regions. This will boost wheat exports to china. Wheat prices have increased by around five percent in past two weeks on this sentiment only.

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

Wheat Futures Contract: NCDEX Price							Date: 22.06.2018 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-Jul	-1	1815	1817	1812	1817	270	+180	8740	-70
18-Aug	+2	1838	1840	1830	1840	90	+50	1320	+80
18-Sept	0	1812	1812	1812	1812	0	0	0	0

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-July	102			
18-Aug		23		
18-Sep			-28	

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

Wheat Daily Prices and Arrivals on 23.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jun-18	22-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1750	1750	Unch
	Narella	Mill Quality Loose	1715	1715	Unch
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	Closed	1720	-
	Ahmedabad	Mill Delivery	Closed	1825	-
	Surat	Mill Delivery	Closed	1860	-
	Dhrol	Mill Quality Loose	Closed	1875	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1715	1715	Unch
		Mill Delivery	1800	1800	Unch
U.P.	Kanpur	Mill Delivery	1735	1735	Unch
	Mathura	Mill Quality Loose	1640	Closed	-
	Kosi	Mill Quality Loose	1575	1575	Unch
	Hathras	Mill Quality Loose	1635	1635	Unch
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1700	1690	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1730	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	2140	2140	Unch
	Madurai	Mill Quality	2197	2197	Unch
	Coimbatore	Mill Quality	2197	2197	Unch
Bihar	Khagariya	Mill Delivery	1550	1550	Unch
	Muzaffarpur	Mill Delivery	1475	1475	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jun-18	22-Jun-18	
Gujarat	Rajkot	Lokwan	Closed	1875	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	2000	2000	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jun-18	22-Jun-18	
Delhi	Lawrence Road	Mill Delivery	9000	8500	500
	Narella	Mill Quality Loose	400	400	Unch
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	Closed	1200	-
	Dhrol	Mill Quality Loose	Closed	45	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	800	Closed	-
	Kosi	Mill Quality Loose	1500	1200	300
	Hathras	Mill Quality Loose	300	500	-200
	Aligarh	Mill Quality Loose	1000	800	200
Punjab	Khanna	Mill Quality Loose	1000	1200	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	200	-100
	Bhiwani	Mill Quality Loose	700	800	-100

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

Wheat Products Delhi	23-Jun-18	22-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:22.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	495.75	497.50	487.00	491.25	-4.00
18-Sep	506.75	509.50	498.50	504.25	-2.50
18-Dec	523.00	525.50	515.00	521.50	-1.50
19-Mar	539.75	541.25	531.50	538.50	-1.00
19-May	551.00	551.50	542.75	550.25	-0.75
19-Jul	555.00	556.50	547.00	554.75	-0.50

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