

Wheat Domestic Fundamentals:

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed slightly weak tone in the week. As of now Tuticorin port price for APW is Rs 2290-2300 per quintal, ASW is Rs 2070-2080 per quintal and Ukrainian wheat is Rs 1880-1890 per quintal. Wheat supplies are likely to tighten this year.

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.

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: 25.06.2018 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	-2	1817	1815	1812	1813	230	-40	8720	-20
18-Aug	-4	1840	1831	1829	1831	140	+50	1430	+110
18-Sept	0	1812	1812	1812	1812	0	0	0	0

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-July	113			
18-Aug		18		
18-Sep			-19	

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 25.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jun-18	23-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1750	1750	Unch
	Narella	Mill Quality Loose	1700	1715	-15
	Nazafgarh	Mill Quality Loose	1720	1700	20
Gujarat	Rajkot	Mill Delivery	1725	Closed	-
	Ahmedabad	Mill Delivery	1860	Closed	-
	Surat	Mill Delivery	1890	Closed	-
	Dhrol	Mill Quality Loose	1950	Closed	-
M.P.	Indore	Mill Delivery	1800	Closed	-
	Bhopal	Mill Quality Loose	2100	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	1640	Unch
	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	1700	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1730	Unch
	Hodal	Mill Delivery	1705	1705	Unch

	Bhiwani	Mill Quality Loose	NR	1700	-
	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	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jun-18	23-Jun-18	
Gujarat	Rajkot	Lokwan	1875	Closed	-
M.P.	Indore	Lokwan	2100	Closed	-
	Bhopal	Lokwan	2000	Closed	-
	Bina	Sarbati 306	2450	Closed	-
Rajasthan	Kota	LokwanBilty	2000	2000	Unch
	Baran	Lokwan	Closed	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Jun-18	23-Jun-18	
Delhi	Lawrence Road	Mill Delivery	9000	9000	Unch
	Narella	Mill Quality Loose	400	400	Unch
	Nazafgarh	Mill Quality Loose	50	150	-100
Gujarat	Rajkot	Mill Quality Loose	1100	Closed	-
	Dhrol	Mill Quality Loose	52	Closed	-
M.P.	Indore	Mill Quality Loose	6000	Closed	-
Rajasthan	Kota	Mill Quality	8000	5000	3000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	1200	800	400
	Kosi	Mill Quality Loose	2000	1500	500
	Hathras	Mill Quality Loose	150	300	-150
	Aligarh	Mill Quality Loose	800	1000	-200
Punjab	Khanna	Mill Quality Loose	700	1000	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	NR	700	-

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

Wheat Products Delhi	25-Jun-18	23-Jun-18	Change
Atta (50kg) Ordinary	975	1050	-75
Maida Grade 1 (50KG)	1015	1050	-35
Suji (50kg)	1050	1075	-25
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1025	1075	-50
Chakki Atta (50kg) Special	1050	1100	-50
Chakki Atta (90kg) Superfine	1910	2000	-90
Chakki Atta (50kg) Superfine	1060	1110	-50

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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