

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 25th June'18 government has procured around 355.05 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, 1.08 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. 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.

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:

China's acreage for quality wheat increased by around 2.5 percent to 30 percent. Yield for wheat was low due to rains during sowing and low temperature in April. Therefore increased acreage may offset some damage to yield caused by weather aberration. As of now agricultural production is being impacted as parts of northeast is facing drought and there are constant rains in south.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 26.06.2018 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	+3	1816	1818	1813	1816	2740	+2,510	8710	-10
18-Aug	+1	1831	1832	1831	1831	50	-90	1470	+40
18-Sept	0	1812	1812	1812	1812	0	0	0	0

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-July	101			
18-Aug		15		
18-Sep			-19	

Stocks	Demat	In- Process	Total	FED
	25.June.18	25.June.18	25.June.18	25.June.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5047	0	5047	5047
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 26.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jun-18	25-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1760	1750	10
	Narella	Mill Quality Loose	1715	1700	15
	Nazafgarh	Mill Quality Loose	1755	1720	35
Gujarat	Rajkot	Mill Delivery	1725	1725	Unch
	Ahmedabad	Mill Delivery	1865	1860	5
	Surat	Mill Delivery	1900	1890	10
	Dhrol	Mill Quality Loose	1815	1950	-135
M.P.	Indore	Mill Delivery	1800	1800	Unch
	Bhopal	Mill Quality Loose	2100	2100	Unch
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	1625	1635	-10
	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	1715	1705	10

	Bhiwani	Mill Quality Loose	NR	NR	-
	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	1500	1550	-50
	Muzaffarpur	Mill Delivery	1475	1475	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jun-18	25-Jun-18	
Gujarat	Rajkot	Lokwan	1850	1875	-25
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbat 306	2450	2450	Unch
Rajasthan	Kota	Lokwan Bilty	2000	2000	Unch
	Baran	Lokwan	NA	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Jun-18	25-Jun-18	
Delhi	Lawrence Road	Mill Delivery	8000	9000	-1000
	Narella	Mill Quality Loose	600	400	200
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	600	1100	-500
	Dhrol	Mill Quality Loose	89	52	37
M.P.	Indore	Mill Quality Loose	6000	6000	Unch
Rajasthan	Kota	Mill Quality	8000	8000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	1200	1200	Unch
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	800	800	Unch
Punjab	Khanna	Mill Quality Loose	700	700	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	150	100	50
	Bhiwani	Mill Quality Loose	NR	NR	-

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

Wheat Products Delhi	26-Jun-18	25-Jun-18	Change
Atta (50kg) Ordinary	975	975	Unch
Maida Grade 1 (50KG)	1015	1015	Unch
Suji (50kg)	1050	1050	Unch
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1025	1025	Unch
Chakki Atta (50kg) Special	1050	1050	Unch
Chakki Atta (90kg) Superfine	1910	1910	Unch
Chakki Atta (50kg) Superfine	1060	1060	Unch

Wheat (CBOT) Future Price:25.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	490.25	491.00	473.75	476.75	-14.50
18-Sep	502.00	503.75	487.00	490.50	-13.75
18-Dec	518.75	521.00	505.50	508.50	-13.00
19-Mar	537.50	537.50	524.00	526.25	-12.25
19-May	549.50	549.50	536.75	538.00	-12.25
19-Jul	552.25	552.25	542.00	543.25	-11.50

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