

**Wheat Domestic Fundamentals:**

**As per trade sources, India has imported no wheat in the month of May-2018.** India has imported around 31000 tonnes in the month of February-2018. Imports are expected to be low this year due to good domestic availability and increase in import duty. Main exporting countries like Australia and Russia are currently facing weather aberrations, which is likely to keep their export prices at higher side.

**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.

**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: 27.06.2018 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                              | +13                   | 1822 | 1834 | 1822 | 1830  | 84022  | 81,282                      | 8620 | -90                   |
| 18-Aug                              | +17                   | 1831 | 1849 | 1831 | 1849  | 79022  | 78,972                      | 2160 | +690                  |
| 18-Sept                             | 0                     | 1812 | 1812 | 1812 | 1812  | 0      | 0                           | 0    | 0                     |

| Spread      | July-18 | Aug-18 | Sep-18 |  |
|-------------|---------|--------|--------|--|
| Spot Narela |         |        |        |  |
| 18-Jul      | 115     |        |        |  |
| 18-Aug      |         | 19     |        |  |
| 18-Sep      |         |        | -37    |  |

| Stocks | Demat      | In- Process | Total      | FED        |
|--------|------------|-------------|------------|------------|
|        | 26.June.18 | 26.June.18  | 26.June.18 | 25.June.18 |
| Delhi  | -          | -           | -          | -          |
| Itarsi | -          | -           | -          | -          |
| Kanpur | -          | -           | -          | -          |
| Kota   | 5047       | 0           | 5047       | 5047       |
| Baran  | 30         | 0           | 30         | 30         |

### Wheat Daily Prices and Arrivals on 27.06.2018

| Centre    | Market             | Variety             | Prices (Rs/Qtl) |           | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
|           |                    |                     | 27-Jun-18       | 26-Jun-18 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1770            | 1760      | 10     |
|           | Narella            | Mill Quality Loose  | Closed          | 1715      | -      |
|           | Nazafgarh          | Mill Quality Loose  | Closed          | 1755      | -      |
| Gujarat   | Rajkot             | Mill Delivery       | 1730            | 1725      | 5      |
|           | Ahmedabad          | Mill Delivery       | 1870            | 1865      | 5      |
|           | Surat              | Mill Delivery       | 1925            | 1900      | 25     |
|           | Dhrol              | Mill Quality Loose  | 1920            | 1815      | 105    |
| M.P.      | Indore             | Mill Delivery       | 1800            | 1800      | Unch   |
|           | Bhopal             | Mill Quality Loose  | 2000            | 2100      | -100   |
| Rajasthan | Kota               | Mill Quality Loose  | 1730            | 1715      | 15     |
|           |                    | Mill Delivery       | 1825            | 1800      | 25     |
| U.P.      | Kanpur             | Mill Delivery       | 1745            | 1735      | 10     |
|           | Mathura            | Mill Quality Loose  | 1650            | 1640      | 10     |
|           | Kosi               | Mill Quality Loose  | 1590            | 1575      | 15     |
|           | Hathras            | Mill Quality Loose  | 1620            | 1625      | -5     |
|           | Aligarh            | Mill Quality Loose  | Closed          | 1600      | -      |
| Punjab    | Khanna             | Mill Quality Loose  | 1705            | 1700      | 5      |
|           | Ludhiana (Jagraon) | Mill Delivery       | NA              | NA        | -      |
| Haryana   | Sirsa              | Mill Delivery loose | 1735            | 1730      | 5      |
|           | Hodal              | Mill Delivery       | 1715            | 1715      | Unch   |

|                   |                               |                    |      |      |      |
|-------------------|-------------------------------|--------------------|------|------|------|
|                   | Bhiwani                       | Mill Quality Loose | 1700 | NR   | -    |
|                   | Karnal                        | Mill Delivery      | NA   | NA   | -    |
|                   | Panipat                       | Mill Quality Loose | NA   | NA   | -    |
| <b>Tamil Nadu</b> | Chennai                       | Mill Quality       | 2150 | 2140 | 10   |
|                   | Madurai                       | Mill Quality       | 2207 | 2197 | 10   |
|                   | Coimbatore                    | Mill Quality       | 2207 | 2197 | 10   |
| <b>Bihar</b>      | Khagariya                     | Mill Delivery      | 1500 | 1500 | Unch |
|                   | Muzaffarpur                   | Mill Delivery      | 1475 | 1475 | Unch |
| <b>FOR</b>        | Kandla (Rajasthan-Rajkot)     | Mill Quality       | NA   | NA   | -    |
|                   | Gandhidham (Rajasthan-Rajkot) | Mill Quality       | NA   | NA   | -    |

| Centre           | Market | Variety     | Prices (Rs/Qtl) |           | Change |
|------------------|--------|-------------|-----------------|-----------|--------|
|                  |        |             | 27-Jun-18       | 26-Jun-18 |        |
| <b>Gujarat</b>   | Rajkot | Lokwan      | 1850            | 1850      | Unch   |
| <b>M.P.</b>      | Indore | Lokwan      | 2100            | 2100      | Unch   |
|                  | Bhopal | Lokwan      | 2000            | 2000      | Unch   |
|                  | Bina   | Sarbati 306 | Closed          | 2450      | -      |
| <b>Rajasthan</b> | Kota   | LokwanBilty | 1900            | 2000      | -100   |
|                  | Baran  | Lokwan      | NA              | NA        | -      |

### Wheat Arrivals in Key Centers:

| Centre           | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
|                  |                   |                    | 27-Jun-18           | 26-Jun-18 |        |
| <b>Delhi</b>     | Lawrence Road     | Mill Delivery      | 12000               | 8000      | 4000   |
|                  | Narella           | Mill Quality Loose | Closed              | 600       | -      |
|                  | Nazafgarh         | Mill Quality Loose | Closed              | 50        | -      |
| <b>Gujarat</b>   | Rajkot            | Mill Quality Loose | 500                 | 600       | -100   |
|                  | Dhrol             | Mill Quality Loose | 55                  | 89        | -34    |
| <b>M.P.</b>      | Indore            | Mill Quality Loose | 5000                | 6000      | -1000  |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 3000                | 8000      | -5000  |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 400                 | 400       | Unch   |
|                  | Mathura           | Mill Quality Loose | 1000                | 1200      | -200   |
|                  | Kosi              | Mill Quality Loose | 1000                | 2000      | -1000  |
|                  | Hathras           | Mill Quality Loose | 150                 | 150       | Unch   |
|                  | Aligarh           | Mill Quality Loose | Closed              | 800       | -      |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | 1500                | 700       | 800    |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 200                 | 200       | Unch   |
|                  | Hodal             | Mill Quality Loose | 150                 | 150       | Unch   |
|                  | Bhiwani           | Mill Quality Loose | 400                 | NR        | -      |

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

| Wheat Products Delhi         | 27-Jun-18 | 26-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:26.6.2018 |        |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                      | Open   | High   | Low    | Close  | Change |
| 18-Jul                              | 477.50 | 481.75 | 466.75 | 469.50 | -7.25  |
| 18-Sep                              | 491.50 | 496.00 | 480.25 | 483.00 | -7.50  |
| 18-Dec                              | 510.00 | 513.00 | 498.25 | 500.50 | -8.00  |
| 19-Mar                              | 526.25 | 530.00 | 515.50 | 517.75 | -8.50  |
| 19-May                              | 539.00 | 541.50 | 528.00 | 529.75 | -8.25  |
| 19-Jul                              | 544.00 | 545.50 | 533.50 | 535.50 | -7.75  |

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