

Wheat Domestic Fundamentals:

As per India's policy imported cargoes of pulses and wheat needs to be fumigated using methyl bromide. India has extended its policy for crop fumigation by six months i.e. until 31st December' 2018. Methyl bromide was once used as a pesticide but is now banned or restricted in most parts of the world. However Indian government has given exemptions to their methyl bromide rule to allow imports.

As per latest update, wheat stock in central pool as on 1st June'18 stood at 437.55 lakh tonnes up by 23.79% compared to last month. This quantity is higher by around 30.85% 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 June'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 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.

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:

Egypt has procured 3.15 MMT of local wheat in this season compared to 3.6 MMT in last season. As per traders, local wheat has been purchased by the private sector at \$222.16 per tonne while the government was buying at around \$ 203.27 per tonne. The price gap created an opportunity for private sector to pay for local wheat in Egyptian pound rather than USD. Lower wheat procurement is indicating that GASC has to import more to fill its supply gap.

Russian milling wheat prices became firm by \$0-3 per tonne at Novorossiysk and \$2-3 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 \$195.00-199.00/tonne whereas milling wheat with 11.5% protein content at Odessa is being quoted at FoB \$188.00-192.00/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: 29.06.2018 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	1825	1828	1823	1826	1610	550	6510	-1,420
18-Aug	-3	1845	1845	1841	1844	1430	300	4170	1,120
18-Sept	-4	1866	1866	1866	1862	0	0	0	0

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	106			
18-Aug		18		
18-Sep			18	

Stocks	Demat	In- Process	Total	FED
	28.June.18	28.June.18	28.June.18	25.June.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5047	0	5047	5047
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 30.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Jun-18	29-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1775	1765	10
	Narella	Mill Quality Loose	1720	1730	-10
	Nazafgarh	Mill Quality Loose	1720	1725	-5
Gujarat	Rajkot	Mill Delivery	1725	1725	Unch
	Ahmedabad	Mill Delivery	1860	1860	Unch
	Surat	Mill Delivery	1925	1925	Unch
	Dhrol	Mill Quality Loose	1765	1785	-20
M.P.	Indore	Mill Delivery	1775	1775	Unch
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	1730	1700	30
		Mill Delivery	1825	1825	Unch
U.P.	Kanpur	Mill Delivery	1720	1720	Unch
	Mathura	Mill Quality Loose	1640	1625	15
	Kosi	Mill Quality Loose	1600	1570	30
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1600	1590	10
Punjab	Khanna	Mill Quality Loose	1680	1680	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1735	1735	Unch
	Hodal	Mill Delivery	1715	1715	Unch

	Bhiwani	Mill Quality Loose	1680	1690	-10
	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	1500	1500	Unch
	Muzaffarpur	Mill Delivery	1525	1525	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Jun-18	29-Jun-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbat 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	1850	1900	-50
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Jun-18	29-Jun-18	
Delhi	Lawrence Road	Mill Delivery	9000	12000	-3000
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	30	10	20
Gujarat	Rajkot	Mill Quality Loose	800	800	Unch
	Dhrol	Mill Quality Loose	38	31	7
M.P.	Indore	Mill Quality Loose	7000	4000	3000
Rajasthan	Kota	Mill Quality	1500	5000	-3500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	700	500	200
	Kosi	Mill Quality Loose	600	700	-100
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	800	800	Unch
Punjab	Khanna	Mill Quality Loose	1200	1000	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	150	50	100
	Bhiwani	Mill Quality Loose	600	600	Unch

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

Wheat Products Delhi	30-Jun-18	29-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:29.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	479.50	504.00	479.50	497.50	18.00
18-Sep	484.50	509.00	483.25	501.25	17.75
18-Dec	499.25	523.75	499.00	516.75	17.25
19-Mar	515.50	539.00	515.25	532.25	17.00
19-May	527.25	549.75	526.25	543.75	16.75
19-Jul	532.00	554.50	531.25	548.50	16.50

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