

Wheat Domestic Fundamentals:

All India average monthly prices for wheat decreased by 0.06 percent from Rs 1852.93 (in May -2018) to Rs 1851.8 per qtl in June-2018. Average price (June) is lower by 2.51 percent compared to price (Rs 1899.41 per qtl.) registered in June - 2017. Prices are expected to trade steady to firm.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed firm tone in the week. As of now Tuticorin port price for APW is Rs 2300-2310 per quintal, ASW is Rs 2140-2160 per quintal and Ukrainian wheat is Rs 1920-1940 per quintal. Wheat supplies are likely to tighten this year.

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 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:

Russian milling wheat prices became firm by \$1-2 per tonne at Novorossiysk and \$0-2 per tonne at Odessa compared to last week. Unfavourable weather conditions in southern regions have reduced the quality of wheat. Furthermore, share of wheat with 13.5% protein content in total production is likely to fall. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$197.00-200.00/tonne whereas milling wheat whereas wheat with 11.5% protein content at Odessa is being quoted at FoB \$188.00-191.00/tonne.

As per latest update, Russia and Ukraine are expected to produce 70.5 MMT and 25.4 MMT of wheat respectively in 2018. Production is expected to be lower in Russia compared to last year due to weather aberrations. Russia and Ukraine are expected to export 35.1 MMT and 16.4 MMT of wheat respectively in 2018-19.

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.

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: 05.07.2018 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	+20	1840	1856	1840	1856	1600	+520	3610	-1,010
18-Aug	+17	1855	1870	1854	1867	710	0	5380	+260
18-Sept	0	1862	1862	1862	1862	0	0	0	0

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	131			
18-Aug		11		
18-Sep			-5	

Stocks	Demat	In- Process	Total	FED
	04.July.18	04.July.18	04.July.18	02.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5047	0	5047	5047
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 05.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jul-18	4-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1780	1770	10
	Narella	Mill Quality Loose	1725	Closed	-
	Nazafgarh	Mill Quality Loose	1700	Closed	-
Gujarat	Rajkot	Mill Delivery	1770	1740	30
	Ahmedabad	Mill Delivery	1900	1875	25
	Surat	Mill Delivery	1935	1925	10
	Dhrol	Mill Quality Loose	1875	1725	150
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1875	1910	-35
Rajasthan	Kota	Mill Quality Loose	1735	1735	Unch
		Mill Delivery	1840	1840	Unch
U.P.	Kanpur	Mill Delivery	1730	1730	Unch
	Mathura	Mill Quality Loose	1615	1615	Unch
	Kosi	Mill Quality Loose	1585	1585	Unch
	Hathras	Mill Quality Loose	1630	1630	Unch
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1680	1690	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1765	1750	15
	Hodal	Mill Delivery	1745	1745	Unch

	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2150	2100	50
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
Bihar	Khagariya	Mill Delivery	1550	1550	Unch
	Muzaffarpur	Mill Delivery	1600	1600	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jul-18	4-Jul-18	
Gujarat	Rajkot	Lokwan	1925	1900	25
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2550	Closed	-
Rajasthan	Kota	LokwanBilty	1950	1950	Unch
	Baran	Lokwan	1800	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Jul-18	4-Jul-18	
Delhi	Lawrence Road	Mill Delivery	800	10000	-9200
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	15	82	-67
M.P.	Indore	Mill Quality Loose	2500	4000	-1500
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	500	300	200
	Mathura	Mill Quality Loose	200	200	Unch
	Kosi	Mill Quality Loose	600	700	-100
	Hathras	Mill Quality Loose	50	50	Unch
	Aligarh	Mill Quality Loose	700	Closed	-
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	600	600	Unch

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

Wheat Products Delhi	5-Jul-18	4-Jul-18	Change
Atta (50kg) Ordinary	1000	1000	Unch
Maida Grade 1 (50KG)	1050	1050	Unch
Suji (50kg)	1100	1100	Unch
Chokar (50 kg)	875	875	Unch
Chokar (34 kg)	595	595	Unch
Chakki Atta (50kg)	1050	1050	Unch
Chakki Atta (50kg) Special	1075	1075	Unch
Chakki Atta (90kg) Superfine	1955	1955	Unch
Chakki Atta (50kg) Superfine	1085	1085	Unch

Wheat (CBOT) Future Price:04.7.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	480.75	495.00	480.50	491.50	11.25
18-Sep	481.25	493.00	481.00	491.00	10.75
18-Dec	497.50	508.75	497.50	506.50	9.75
19-Mar	513.00	524.25	513.00	521.50	9.00
19-May	526.25	535.75	525.00	532.00	7.50
19-Jul	530.00	541.00	530.00	537.00	7.50

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