

### 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: 06.07.2018 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	+8	1856	1863	1856	1860	1600	+520	3610	-1,010
18-Aug	+7	1860	1878	1858	1866	710	0	5380	+260
18-Sept	1	1860	1868	1858	1865	0	0	0	0

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	134			
18-Aug		14		
18-Sep			-2	

Stocks	Demat	In- Process	Total	FED
	05.July.18	05.July.18	05.July.18	02.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5047	0	5047	5047
Baran	30	0	30	30

**Wheat Daily Prices and Arrivals on 06.07.2018**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jul-18	5-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1800	1780	20
	Narella	Mill Quality Loose	1735	1725	10
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1775	1770	5
	Ahmedabad	Mill Delivery	1890	1900	-10
	Surat	Mill Delivery	1940	1935	5
	Dhrol	Mill Quality Loose	1715	1875	-160
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1850	1875	-25
Rajasthan	Kota	Mill Quality Loose	1750	1735	15
		Mill Delivery	1850	1840	10
U.P.	Kanpur	Mill Delivery	1755	1740	15
	Mathura	Mill Quality Loose	1585	1600	-15
	Kosi	Mill Quality Loose	1625	1585	40
	Hathras	Mill Quality Loose	1635	1630	5
	Aligarh	Mill Quality Loose	1600	1600	Unch
Punjab	Khanna	Mill Quality Loose	1680	1680	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1770	1765	5
	Hodal	Mill Delivery	1755	1745	10

	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2150	2100	50
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
<b>Bihar</b>	Khagariya	Mill Delivery	1500	1550	-50
	Muzaffarpur	Mill Delivery	1625	1600	25
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jul-18	5-Jul-18	
<b>Gujarat</b>	Rajkot	Lokwan	1950	1925	25
<b>M.P.</b>	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2100	100
	Bina	Sarbati 306	2550	2550	Unch
<b>Rajasthan</b>	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	1830	1800	30

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Jul-18	5-Jul-18	
<b>Delhi</b>	Lawrence Road	Mill Delivery	7000	800	6200
	Narella	Mill Quality Loose	300	400	-100
	Nazafgarh	Mill Quality Loose	10	50	-40
<b>Gujarat</b>	Rajkot	Mill Quality Loose	400	500	-100
	Dhrol	Mill Quality Loose	7	15	-8
<b>M.P.</b>	Indore	Mill Quality Loose	3000	2500	500
<b>Rajasthan</b>	Kota	Mill Quality	3000	4000	-1000
<b>U.P.</b>	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	800	200	600
	Kosi	Mill Quality Loose	800	600	200
	Hathras	Mill Quality Loose	300	50	250
	Aligarh	Mill Quality Loose	700	700	Unch
<b>Punjab</b>	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	400	600	-200

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

Wheat Products Delhi	6-Jul-18	5-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:05.7.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	507.00	508.75	503.25	504.00	12.50
18-Sep	496.50	508.50	496.50	505.50	14.50
18-Dec	511.00	523.00	511.00	519.75	13.25
19-Mar	526.25	537.00	526.25	533.25	11.75
19-May	537.00	546.00	537.00	542.50	10.50
19-Jul	540.75	549.75	540.75	546.25	9.25

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2018 Indian Agribusiness Systems Pvt Ltd.