

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 5.11 percent to Rs 1865.60 per quintal during the week ended 08th July 2018. Wheat average price were ruling at Rs 1965.99 per quintal during 24-30 June 2018. As compared to prices in the week 01-08 July 2017, the prices are weak by 6.05 percent. Prices are expected to remain firm in coming days due to decrease in arrivals and increase in import duty.

Government agencies have started procurement since 15th March'18. For RMS 2018-19, government has procured around 355.22 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, 1.09 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh, 0.37 lakh tonnes from Gujarat, 0.25 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 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.

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: 10.07.2018 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 | -14 | 1880 | 1885 | 1852 | 1873 | 1160 | -860 | 1850 | -460 |
| 18-Aug | -11 | 1898 | 1898 | 1871 | 1886 | 1650 | -1,560 | 7660 | +590 |
| 18-Sep | +2 | 1915 | 1915 | 1915 | 1915 | 10 | -80 | 110 | +10 |

| Spread | July-18 | Aug-18 | Sep-18 | |
|-------------|---------|--------|--------|--|
| Spot Narela | | | | |
| 18-Jul | 113 | | | |
| 18-Aug | | 13 | | |
| 18-Sep | | | 29 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|------------|-------------|------------|------------|
| | 09.July.18 | 09.July.18 | 09.July.18 | 09.July.18 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 5047 | 0 | 5047 | 5047 |
| Baran | 30 | 0 | 30 | 30 |

Wheat Daily Prices and Arrivals on 10.07.2018

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
| | | | 10-Jul-18 | 9-Jul-18 | |
| Delhi | Lawrence Road | Mill Delivery | 1890 | 1880 | 10 |
| | Narella | Mill Quality Loose | 1760 | 1760 | Unch |
| | Nazafgarh | Mill Quality Loose | 1800 | 1800 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1825 | 1800 | 25 |
| | Ahmedabad | Mill Delivery | 1940 | 1960 | -20 |
| | Surat | Mill Delivery | 2000 | 1990 | 10 |
| | Dhrol | Mill Quality Loose | 1900 | 1790 | 110 |
| M.P. | Indore | Mill Delivery | 1800 | 1775 | 25 |
| | Bhopal | Mill Quality Loose | 1825 | 1800 | 25 |
| Rajasthan | Kota | Mill Quality Loose | 1760 | 1750 | 10 |
| | | Mill Delivery | 1865 | 1850 | 15 |
| U.P. | Kanpur | Mill Delivery | 1710 | 1770 | -60 |
| | Mathura | Mill Quality Loose | 1700 | 1725 | -25 |
| | Kosi | Mill Quality Loose | 1725 | 1685 | 40 |
| | Hathras | Mill Quality Loose | 1710 | 1640 | 70 |
| | Aligarh | Mill Quality Loose | 1720 | 1680 | 40 |
| Punjab | Khanna | Mill Quality Loose | 1720 | 1720 | Unch |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1815 | 1790 | 25 |
| | Hodal | Mill Delivery | 1850 | 1780 | 70 |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 1800 | 1800 | Unch |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2170 | 2170 | Unch |
| | Madurai | Mill Quality | 2227 | 2227 | Unch |
| | Coimbatore | Mill Quality | 2227 | 2227 | Unch |
| Bihar | Khagariya | Mill Delivery | 1650 | 1600 | 50 |
| | Muzaffarpur | Mill Delivery | 1650 | 1650 | Unch |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|-------------|-----------------|----------|--------|
| | | | 10-Jul-18 | 9-Jul-18 | |
| Gujarat | Rajkot | Lokwan | 2050 | 2000 | 50 |
| M.P. | Indore | Lokwan | 2400 | 2400 | Unch |
| | Bhopal | Lokwan | 2250 | 2250 | Unch |
| | Bina | Sarbati 306 | 2550 | 2550 | Unch |
| Rajasthan | Kota | LokwanBilty | 1950 | 2000 | -50 |
| | Baran | Lokwan | NA | 1850 | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 10-Jul-18 | 9-Jul-18 | |
| Delhi | Lawrence Road | Mill Delivery | 12000 | 14000 | -2000 |
| | Narella | Mill Quality Loose | 500 | 1000 | -500 |
| | Nazafgarh | Mill Quality Loose | 10 | 40 | -30 |
| Gujarat | Rajkot | Mill Quality Loose | 600 | 800 | -200 |
| | Dhrol | Mill Quality Loose | 10 | 30 | -20 |
| M.P. | Indore | Mill Quality Loose | 1500 | 2000 | -500 |
| Rajasthan | Kota | Mill Quality | 2000 | 3000 | -1000 |
| U.P. | Kanpur | Mill Quality Loose | 500 | 600 | -100 |
| | Mathura | Mill Quality Loose | 3000 | 1000 | 2000 |
| | Kosi | Mill Quality Loose | 600 | 800 | -200 |
| | Hathras | Mill Quality Loose | 300 | 150 | 150 |
| | Aligarh | Mill Quality Loose | 500 | 800 | -300 |
| Punjab | Khanna | Mill Quality Loose | 1000 | 900 | 100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 300 | -100 |
| | Hodal | Mill Quality Loose | 50 | 50 | Unch |
| | Bhiwani | Mill Quality Loose | 800 | 400 | 400 |

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

| Wheat Products Delhi | 10-Jul-18 | 9-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:09.7.2018 | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Jul | 509.50 | 509.75 | 504.25 | 507.75 | -5.00 |
| 18-Sep | 513.75 | 514.00 | 503.50 | 508.00 | -7.25 |
| 18-Dec | 529.25 | 529.25 | 519.50 | 525.00 | -5.00 |
| 19-Mar | 539.25 | 541.75 | 533.75 | 540.50 | -3.25 |
| 19-May | 551.00 | 551.00 | 544.00 | 550.50 | -2.50 |
| 19-Jul | 554.75 | 555.75 | 549.00 | 555.00 | -2.50 |

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