

**Wheat Domestic Fundamentals:**

**As per trade sources, after increase in import duty by 30 percent there is no parity for imported wheat.** Price of imported wheat from Ukraine after duty and local expenses is coming around Rs 2400 per quintal at Bangalore. On the other hand, local wheat sourced from Uttar Pradesh for Bangalore is costing around Rs 2100 per quintal. Furthermore, there is no problem at supply side as ample domestic stock is available.

**All India weekly average prices decreased by 5.11 percent to Rs 1865.60 per quintal during the week ended 08<sup>th</sup> 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 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: 11.07.2018 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	-1	1866	1865	1850	1865	420	-740	1630	-220
18-Aug	+6	1887	1902	1885	1893	910	-740	7610	-50
18-Sep	-6	1910	1910	1909	1909	40	+30	130	+20

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	105			
18-Aug		28		
18-Sep			16	

Stocks	Demat	In- Process	Total	FED
	10.July.18	10.July.18	10.July.18	09.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5047	0	5047	5047
Baran	30	0	30	30

## Wheat Daily Prices and Arrivals on 11.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Jul-18	10-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1895	1890	5
	Narella	Mill Quality Loose	Closed	1760	-
	Nazafgarh	Mill Quality Loose	Closed	1800	-
Gujarat	Rajkot	Mill Delivery	1830	1825	5
	Ahmedabad	Mill Delivery	1965	1940	25
	Surat	Mill Delivery	2000	2000	Unch
	Dhrol	Mill Quality Loose	1960	1900	60
M.P.	Indore	Mill Delivery	1800	1800	Unch
	Bhopal	Mill Quality Loose	1825	1825	Unch
Rajasthan	Kota	Mill Quality Loose	1795	1760	35
		Mill Delivery	1870	1865	5
U.P.	Kanpur	Mill Delivery	1710	1710	Unch
	Mathura	Mill Quality Loose	1700	1700	Unch
	Kosi	Mill Quality Loose	1730	1725	5
	Hathras	Mill Quality Loose	1710	1710	Unch
	Aligarh	Mill Quality Loose	Closed	1720	-
Punjab	Khanna	Mill Quality Loose	1710	1720	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1820	1815	5
	Hodal	Mill Delivery	1850	1850	Unch

	Bhiwani	Mill Quality Loose	1785	1800	-15
	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	1650	Unch
	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
			11-Jul-18	10-Jul-18	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	Closed	2550	-
Rajasthan	Kota	LokwanBilty	2150	1950	200
	Baran	Lokwan	NA	NA	-

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Jul-18	10-Jul-18	
Delhi	Lawrence Road	Mill Delivery	12000	12000	Unch
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	10	-
Gujarat	Rajkot	Mill Quality Loose	700	600	100
	Dhrol	Mill Quality Loose	13	10	3
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	2500	2000	500
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	2500	3000	-500
	Kosi	Mill Quality Loose	700	600	100
	Hathras	Mill Quality Loose	250	300	-50
	Aligarh	Mill Quality Loose	Closed	500	-
Punjab	Khanna	Mill Quality Loose	800	1000	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	800	-300

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

Wheat Products Delhi	11-Jul-18	10-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:10.07.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	503.00	503.00	485.75	489.50	-18.25
18-Sep	507.50	507.75	488.00	492.00	-16.00
18-Dec	524.00	524.50	506.25	510.00	-15.00
19-Mar	538.00	540.00	523.50	527.25	-13.25
19-May	547.50	547.50	534.75	538.25	-12.25
19-Jul	552.50	553.50	539.50	543.25	-11.75

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