

Wheat Domestic Fundamentals:

There is news circulating in the market that government will sell wheat in open market at a reserve price of Rs 1900 per quintal in the first quarter i.e. July-September. For second quarter (October-December) and third quarter (January-March) the reserve price will be around Rs 1925 per quintal and Rs 1950 per quintal respectively. On this basis, firmness of Rs 100 per quintal can be expected in near future.

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 2305-2315 per quintal, ASW is Rs 2195-2205 per quintal and Ukrainian wheat is Rs 1985-1995 per quintal. Wheat supplies are likely to tighten this year.

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 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, 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 \$3-6 per tonne at Odessa compared to last week. Good demand and lower crop size compared to last year is providing support to prices. As per Agriculture ministry, Russia is expected to produce 64.4 MMT in 2018. 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 \$199.00-201.00/tonne whereas milling wheat with 11.5% protein content at Odessa is being quoted at FoB \$194.00-197.00/tonne.

As per USDA, Australia is likely to produce 21 MMT of wheat this year due to dry and hot weather and lower rainfall in east Australia. Australia's exports for 2018-19 are expected to be around 15 MMT. Furthermore, Australia is expected to face strong competition from Black sea region for market share.

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.

Outlook: Cash market is expected to trade steady to firm in the near term.

Wheat Futures Contract: NCDEX Price							Date: 13.07.2018 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	+26	1875	1931	1901	1901	340	+340	1140	-490
18-Aug	+6	1923	1923	1912	1922	1320	+100	7870	-130
18-Sep	+8	1924	1932	1925	1932	40	-60	220	+10

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	101			
18-Aug		21		
18-Sep			10	

Stocks	Demat	In- Process	Total	FED
	12.July.18	12.July.18	12.July.18	09.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5446	299	5745	5047
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 13.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jul-18	12-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1890	1880	10
	Narella	Mill Quality Loose	1800	1760	40
	Nazafgarh	Mill Quality Loose	1820	1820	Unch
Gujarat	Rajkot	Mill Delivery	1940	1875	65
	Ahmedabad	Mill Delivery	2000	2000	Unch
	Surat	Mill Delivery	2060	2050	10
	Dhrol	Mill Quality Loose	1900	1870	30
M.P.	Indore	Mill Delivery	Closed	1800	-
	Bhopal	Mill Quality Loose	Closed	1825	-
Rajasthan	Kota	Mill Quality Loose	1825	1800	25
		Mill Delivery	1925	1875	50
U.P.	Kanpur	Mill Delivery	1720	1720	Unch
	Mathura	Mill Quality Loose	1705	1710	-5
	Kosi	Mill Quality Loose	1730	1730	Unch
	Hathras	Mill Quality Loose	1725	1725	Unch
	Aligarh	Mill Quality Loose	1700	1700	Unch
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1825	1835	-10
	Hodal	Mill Delivery	1850	1850	Unch

	Bhiwani	Mill Quality Loose	1800	1800	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2250	2170	80
	Madurai	Mill Quality	2307	2227	80
	Coimbatore	Mill Quality	2307	2227	80
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1700	1650	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jul-18	12-Jul-18	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	Closed	2400	-
	Bhopal	Lokwan	Closed	2250	-
	Bina	Sarbati 306	Closed	2550	-
Rajasthan	Kota	LokwanBilty	2000	2150	-150
	Baran	Lokwan	1880	1900	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jul-18	12-Jul-18	
Delhi	Lawrence Road	Mill Delivery	10000	12000	-2000
	Narella	Mill Quality Loose	200	600	-400
	Nazafgarh	Mill Quality Loose	150	25	125
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	30	NA	-
M.P.	Indore	Mill Quality Loose	Closed	1500	-
Rajasthan	Kota	Mill Quality	3000	2500	500
U.P.	Kanpur	Mill Quality Loose	200	200	Unch
	Mathura	Mill Quality Loose	800	3000	-2200
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	100	250	-150
	Aligarh	Mill Quality Loose	600	700	-100
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(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	600	400	200

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

Wheat Products Delhi	13-Jul-18	12-Jul-18	Change
Atta (50kg) Ordinary	1025	1025	Unch
Maida Grade 1 (50KG)	1115	1115	Unch
Suji (50kg)	1165	1165	Unch
Chokar (50 kg)	950	950	Unch
Chokar (34 kg)	645	645	Unch
Chakki Atta (50kg)	1075	1075	Unch
Chakki Atta (50kg) Special	1100	1100	Unch
Chakki Atta (90kg) Superfine	2000	2000	Unch
Chakki Atta (50kg) Superfine	1110	1110	Unch

Wheat (CBOT) Future Price:12.7.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	484.25	484.25	482.50	482.50	12.75
18-Sep	474.25	488.50	473.00	484.50	12.75
18-Dec	493.25	505.75	491.50	501.25	10.75
19-Mar	510.25	522.75	509.25	518.25	9.00
19-May	523.00	533.50	521.75	530.00	8.25
19-Jul	528.75	538.75	528.00	535.00	7.25

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