

Wheat Domestic Fundamentals:

As per latest update, wheat stock in central pool as on 1st July'18 stood at 418.01 lakh tonnes down by 4.47% compared to last month. This quantity is higher by around 29.52% 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 July'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.

All India weekly average prices increased by 2.41 percent to Rs. 1910.64 per quintal during the week ended 15th July 2018. Wheat average price were ruling at Rs 1865.60 per quintal during 01-08 July 2018. As compared to prices in the week 09-15 July 2017, the prices are weak by 4.16 percent. Prices are expected to remain firm in coming days due to decrease in arrivals and increase in import duty.

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.

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.

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.

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	+32	1875	1931	1901	1907	340	+340	1140	-490
18-Aug	+4	1923	1923	1912	1920	1320	+100	7870	-130
18-Sep	+7	1924	1932	1925	1931	40	-60	220	+10

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	107			
18-Aug		13		
18-Sep			11	

Stocks	Demat	In- Process	Total	FED
	13.July.18	13.July.18	13.July.18	09.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5745	329	6074	5047
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 14.7.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jul-18	13-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1910	1890	20
	Narella	Mill Quality Loose	1800	1800	Unch
	Nazafgarh	Mill Quality Loose	1815	1820	-5
Gujarat	Rajkot	Mill Delivery	Closed	1940	-
	Ahmedabad	Mill Delivery	Closed	2000	-
	Surat	Mill Delivery	Closed	2060	-
	Dhrol	Mill Quality Loose	NA	1900	-
M.P.	Indore	Mill Delivery	1800	Closed	-
	Bhopal	Mill Quality Loose	1825	Closed	-
Rajasthan	Kota	Mill Quality Loose	1825	1825	Unch
		Mill Delivery	1925	1925	Unch
U.P.	Kanpur	Mill Delivery	1730	1720	10
	Mathura	Mill Quality Loose	1710	1705	5
	Kosi	Mill Quality Loose	1730	1730	Unch
	Hathras	Mill Quality Loose	1725	1725	Unch
	Aligarh	Mill Quality Loose	1720	1700	20
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1825	1825	Unch
	Hodal	Mill Delivery	1855	1850	5

	Bhiwani	Mill Quality Loose	1810	1800	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2250	2250	Unch
	Madurai	Mill Quality	2307	2307	Unch
	Coimbatore	Mill Quality	2307	2307	Unch
Bihar	Khagariya	Mill Delivery	1710	1700	10
	Muzaffarpur	Mill Delivery	1720	1700	20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jul-18	13-Jul-18	
Gujarat	Rajkot	Lokwan	Closed	2100	-
M.P.	Indore	Lokwan	2400	Closed	-
	Bhopal	Lokwan	2250	Closed	-
	Bina	Sarbati 306	NA	Closed	-
Rajasthan	Kota	Lokwan Bilty	2000	2000	Unch
	Baran	Lokwan	1880	1880	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Jul-18	13-Jul-18	
Delhi	Lawrence Road	Mill Delivery	11000	10000	1000
	Narella	Mill Quality Loose	300	200	100
	Nazafgarh	Mill Quality Loose	100	150	-50
Gujarat	Rajkot	Mill Quality Loose	Closed	700	-
	Dhrol	Mill Quality Loose	NA	30	-
M.P.	Indore	Mill Quality Loose	2000	Closed	-
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	150	200	-50
	Mathura	Mill Quality Loose	1000	800	200
	Kosi	Mill Quality Loose	700	500	200
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	500	600	-100
Punjab	Khanna	Mill Quality Loose	200	300	-100
	(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	800	600	200

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

Wheat Products Delhi	14-Jul-18	13-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:13.07.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	483.50	497.75	481.25	497.00	12.50
18-Sep	500.50	513.00	497.50	512.50	11.25
18-Dec	517.25	528.50	514.00	527.50	9.25
19-Mar	531.25	539.00	525.50	538.50	8.50
19-May	534.50	544.50	530.00	542.75	7.75
19-Jul	545.50	551.75	539.75	551.75	7.50

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.