

Wheat Domestic Fundamentals:

As per latest update, government will sell wheat in open market at a reserve price of Rs 1900 per quintal in the second quarter i.e. July-September. For third quarter (October-December) and fourth 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 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.

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: 16.07.2018 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	+21	1907	1950	1910	1928	160	-180	1140	0
18-Aug	+10	1922	1934	1920	1930	1880	+560	8060	+190
18-Sep	+9	1931	1944	1940	1940	180	+140	310	+90

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	158			
18-Aug		2		
18-Sep			10	

Stocks	Demat	In- Process	Total	FED
	14.July.18	14.July.18	14.July.18	09.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5745	329	6074	5047
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 16.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Jul-18	14-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1900	1910	-10
	Narella	Mill Quality Loose	1770	1800	-30
	Nazafgarh	Mill Quality Loose	1820	1815	5
Gujarat	Rajkot	Mill Delivery	1875	Closed	-
	Ahmedabad	Mill Delivery	2000	Closed	-
	Surat	Mill Delivery	2050	Closed	-
	Dhrol	Mill Quality Loose	1970	NA	-
M.P.	Indore	Mill Delivery	1800	1800	Unch
	Bhopal	Mill Quality Loose	1850	1825	25
Rajasthan	Kota	Mill Quality Loose	1850	1825	25
		Mill Delivery	1950	1925	25
U.P.	Kanpur	Mill Delivery	1770	1730	40
	Mathura	Mill Quality Loose	1740	1710	30
	Kosi	Mill Quality Loose	1760	1730	30
	Hathras	Mill Quality Loose	1750	1725	25
	Aligarh	Mill Quality Loose	1710	1720	-10
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1820	1825	-5
	Hodal	Mill Delivery	1845	1855	-10

	Bhiwani	Mill Quality Loose	1850	1810	40
	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	1700	1710	-10
	Muzaffarpur	Mill Delivery	1700	1720	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Jul-18	14-Jul-18	
Gujarat	Rajkot	Lokwan	2050	Closed	-
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2150	2250	-100
	Bina	Sarbati 306	Closed	NA	-
Rajasthan	Kota	LokwanBilty	2000	2000	Unch
	Baran	Lokwan	1850	1880	-30

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Jul-18	14-Jul-18	
Delhi	Lawrence Road	Mill Delivery	12000	11000	1000
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1100	Closed	-
	Dhrol	Mill Quality Loose	30	NA	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	300	150	150
	Mathura	Mill Quality Loose	4000	1000	3000
	Kosi	Mill Quality Loose	900	700	200
	Hathras	Mill Quality Loose	50	100	-50
	Aligarh	Mill Quality Loose	600	500	100
Punjab	Khanna	Mill Quality Loose	NA	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	800	800	Unch

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

Wheat Products Delhi	16-Jul-18	14-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

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