

**Wheat Domestic Fundamentals:**

**FCI will offer a total quantity 1062800 tonnes of wheat in different states through e-auction on 19th July 2018 at a reserve price of Rs 1900 per quintal.** Of the total quantity in OMSS, highest quantity of 443000 tonnes in Maharashtra followed by 226900 tonnes in Punjab, 60000 tonnes in West Bengal, 55000 tonnes in Odhisa, 41000 tonnes in Rajasthan, 31600 tonnes in Kerala, 26900 tonnes in Chandigarh, 23300 tonnes in Madhya Pradesh, 22000 tonnes in Gujarat, 21500 tonnes in Uttarakhand, 20000 tonnes in Delhi, 18900 tonnes in Chhattisgarh, 18000 tonnes in Andhra Pradesh, 14200 tonnes in Karnataka, 12000 tonnes in Assam, 10000 tonnes in Uttar Pradesh, 8000 tonnes in J&K, 5000 tonnes in Bihar, 2000 tonnes in Himachal Pradesh, 2000 tonnes in Jharkhand and 1500 tonnes in Goa.

**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.

**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: 17.07.2018 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	-12	1932	1928	1920	1920	70	-90	410	-730
18-Aug	-6	1882	1925	1882	1925	360	-1,520	7980	-80
18-Sep	0	1943	1944	1940	1943	0	-180	310	0

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	140			
18-Aug		5		
18-Sep			18	

Stocks	Demat	In- Process	Total	FED
	16.July.18	16.July.18	16.July.18	16.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5745	339	6084	5745
Baran	30	0	30	30

## Wheat Daily Prices and Arrivals on 17.7.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Jul-18	16-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1890	1900	-10
	Narella	Mill Quality Loose	1780	1770	10
	Nazafgarh	Mill Quality Loose	1818	1820	-2
Gujarat	Rajkot	Mill Delivery	1875	1875	Unch
	Ahmedabad	Mill Delivery	2000	2000	Unch
	Surat	Mill Delivery	2050	2050	Unch
	Dhrol	Mill Quality Loose	1925	1970	-45
M.P.	Indore	Mill Delivery	1800	1800	Unch
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1825	1850	-25
		Mill Delivery	1900	1950	-50
U.P.	Kanpur	Mill Delivery	1770	1770	Unch
	Mathura	Mill Quality Loose	1750	1740	10
	Kosi	Mill Quality Loose	1760	1760	Unch
	Hathras	Mill Quality Loose	1750	1750	Unch
	Aligarh	Mill Quality Loose	1710	1710	Unch
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1825	1820	5
	Hodal	Mill Delivery	1875	1885	-10

	Bhiwani	Mill Quality Loose	1820	1850	<b>-30</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2230	2225	<b>5</b>
	Madurai	Mill Quality	2287	2307	<b>-20</b>
	Coimbatore	Mill Quality	2287	2307	<b>-20</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1700	1700	<b>Unch</b>
	Muzaffarpur	Mill Delivery	1650	1700	<b>-50</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Jul-18	16-Jul-18	
<b>Gujarat</b>	Rajkot	Lokwan	2100	2050	<b>50</b>
<b>M.P.</b>	Indore	Lokwan	2400	2400	<b>Unch</b>
	Bhopal	Lokwan	2150	2150	<b>Unch</b>
	Bina	Sarbati 306	2550	Closed	-
<b>Rajasthan</b>	Kota	LokwanBilty	2200	2000	<b>200</b>
	Baran	Lokwan	1850	1850	<b>Unch</b>

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Jul-18	16-Jul-18	
<b>Delhi</b>	Lawrence Road	Mill Delivery	11000	12000	<b>-1000</b>
	Narella	Mill Quality Loose	500	400	<b>100</b>
	Nazafgarh	Mill Quality Loose	100	100	<b>Unch</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	400	1100	<b>-700</b>
	Dhrol	Mill Quality Loose	13	30	<b>-17</b>
<b>M.P.</b>	Indore	Mill Quality Loose	1500	2000	<b>-500</b>
<b>Rajasthan</b>	Kota	Mill Quality	1000	2500	<b>-1500</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	300	300	<b>Unch</b>
	Mathura	Mill Quality Loose	2000	4000	<b>-2000</b>
	Kosi	Mill Quality Loose	800	900	<b>-100</b>
	Hathras	Mill Quality Loose	50	50	<b>Unch</b>
	Aligarh	Mill Quality Loose	500	600	<b>-100</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	300	200	<b>100</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	600	800	<b>-200</b>

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

Wheat Products Delhi	17-Jul-18	16-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:16.07.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	495.25	498.50	486.75	488.50	-8.50
18-Sep	511.75	513.75	502.75	504.00	-8.50
18-Dec	524.50	528.75	517.50	519.00	-8.50
19-Mar	535.75	537.25	528.75	529.75	-8.75
19-May	540.00	543.00	533.50	535.25	-7.50
19-Jul	546.25	551.00	543.25	544.50	-7.25

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