

Wheat Domestic Fundamentals:

Wheat WPI has increased slightly from 141.7 in May-2018 to 143.1 in June-2018. Monthly wheat inflation has increased by 0.99 percent in June -2018 compared to previous month. As compared to June-2017 wheat WPI has increased by around 5.14 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

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.

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: 18.07.2018 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	0	1924	1928	1920	1924	330	260	0	-410
18-Aug	+11	1917	1932	1921	1928	650	290	7990	10
18-Sep	+16	1936	1940	1930	1930	100	100	320	10

Spread	July-18	Aug-18	Sep-18	
Spot Narela				
18-Jul	144			
18-Aug		2		
18-Sep			2	

Stocks	Demat	In- Process	Total	FED
	17.July.18	17.July.18	17.July.18	16.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6085	0	6085	5745
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 18.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Jul-18	17-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1890	1890	Unch
	Narella	Mill Quality Loose	Closed	1780	-
	Nazafgarh	Mill Quality Loose	Closed	1818	-
Gujarat	Rajkot	Mill Delivery	1900	1875	25
	Ahmedabad	Mill Delivery	2040	2000	40
	Surat	Mill Delivery	2060	2050	10
	Dhrol	Mill Quality Loose	1900	1925	-25
M.P.	Indore	Mill Delivery	1850	1800	50
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1840	1825	15
		Mill Delivery	1910	1900	10
U.P.	Kanpur	Mill Delivery	1800	1770	30
	Mathura	Mill Quality Loose	1740	1750	-10
	Kosi	Mill Quality Loose	1730	1760	-30
	Hathras	Mill Quality Loose	1740	1750	-10
	Aligarh	Mill Quality Loose	Closed	1710	-
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	1875	1875	Unch

	Bhiwani	Mill Quality Loose	1850	1820	30
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2230	2230	Unch
	Madurai	Mill Quality	2287	2287	Unch
	Coimbatore	Mill Quality	2287	2287	Unch
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
			18-Jul-18	17-Jul-18	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	2400	-100
	Bhopal	Lokwan	2150	2150	Unch
	Bina	Sarbati 306	Closed	2550	-
Rajasthan	Kota	LokwanBilty	2000	2200	-200
	Baran	Lokwan	1850	1850	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Jul-18	17-Jul-18	
Delhi	Lawrence Road	Mill Delivery	10000	11000	-1000
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	700	400	300
	Dhrol	Mill Quality Loose	6	13	-7
M.P.	Indore	Mill Quality Loose	4000	1500	2500
Rajasthan	Kota	Mill Quality	1000	1000	Unch
U.P.	Kanpur	Mill Quality Loose	500	300	200
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	700	800	-100
	Hathras	Mill Quality Loose	200	50	150
	Aligarh	Mill Quality Loose	Closed	500	-
Punjab	Khanna	Mill Quality Loose	200	NA	-
	(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	400	600	-200

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

Wheat Products Delhi	18-Jul-18	17-Jul-18	Change
Atta (50kg) Ordinary	1100	1025	75
Maida Grade 1 (50KG)	1150	1115	35
Suji (50kg)	1200	1165	35
Chokar (50 kg)	925	950	-25
Chokar (34 kg)	630	645	-15
Chakki Atta (50kg)	1100	1075	25
Chakki Atta (50kg) Special	1125	1100	25
Chakki Atta (90kg) Superfine	2050	2000	50
Chakki Atta (50kg) Superfine	1135	1110	25

Wheat (CBOT) Future Price:17.07.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	491.00	504.25	487.75	497.75	9.25
18-Dec	507.25	519.00	502.75	512.25	8.25
19-Mar	519.75	532.75	518.00	526.00	7.00
19-May	529.00	542.00	529.00	535.50	5.75
19-Jul	536.50	546.50	533.00	539.75	4.50
19-Sep	547.25	555.75	543.50	549.00	4.50

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