

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 Odisha, 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 \$1-4 per tonne at Novorossiysk and \$1-2 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. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$200.00-205.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$199.00-202.00/tonne.

As on 13th July Russia has harvested 24.6 million tonnes of wheat compared to 9.0 million tonnes a year ago for the same date. Around 6.3 million hectares of area has been harvested with an average yield of 3.88 tonnes per hectare compared to 1.9 million hectares with an average yield of 4.69 tonnes per hectare a year ago for same date. Russia is expected to harvest 68-69 million tonnes of wheat in 2018.

As per latest update, Japan's ministry of agriculture bought 57914 MT of food quality wheat from United States. Shipments from United States will be loaded between Sept 01 and Sept 31, 2018.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 19.07.2018 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-Aug	+2	1926	1938	1926	1933	1410	+760	7310	-680
18-Sep	+6	1940	1948	1937	1943	540	+440	620	+300
18-Oct	0	1943	1943	1943	1943	0	0	0	0

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	133			
18-Sep		10		
18-Oct			0	

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

Wheat Daily Prices and Arrivals on 19.7.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Jul-18	18-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1905	1890	15
	Narella	Mill Quality Loose	1800	Closed	-
	Nazafgarh	Mill Quality Loose	1830	Closed	-
Gujarat	Rajkot	Mill Delivery	1910	1900	10
	Ahmedabad	Mill Delivery	2080	2040	40
	Surat	Mill Delivery	2120	2060	60
	Dhrol	Mill Quality Loose	1945	1900	45
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1825	1840	-15
		Mill Delivery	1925	1910	15
U.P.	Kanpur	Mill Delivery	1810	1800	10
	Mathura	Mill Quality Loose	1760	1740	20
	Kosi	Mill Quality Loose	1740	1730	10
	Hathras	Mill Quality Loose	1760	1740	20
	Aligarh	Mill Quality Loose	1715	Closed	-
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1830	1825	5
	Hodal	Mill Delivery	1875	1875	Unch

	Bhiwani	Mill Quality Loose	1850	1850	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2225	2230	-5
	Madurai	Mill Quality	2282	2287	-5
	Coimbatore	Mill Quality	2282	2287	-5
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1750	1700	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Jul-18	18-Jul-18	
Gujarat	Rajkot	Lokwan	2050	2100	-50
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2150	2150	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	2000	100
	Baran	Lokwan	1900	1850	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Jul-18	18-Jul-18	
Delhi	Lawrence Road	Mill Delivery	9000	10000	-1000
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	700	700	Unch
	Dhrol	Mill Quality Loose	17	6	11
M.P.	Indore	Mill Quality Loose	4000	4000	Unch
Rajasthan	Kota	Mill Quality	1200	1000	200
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	800	2000	-1200
	Kosi	Mill Quality Loose	1000	700	300
	Hathras	Mill Quality Loose	150	200	-50
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	1000	200	800
	(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	600	400	200

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

Wheat Products Delhi	19-Jul-18	18-Jul-18	Change
Atta (50kg) Ordinary	1100	1100	Unch
Maida Grade 1 (50KG)	1150	1150	Unch
Suji (50kg)	1200	1200	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1100	1100	Unch
Chakki Atta (50kg) Special	1125	1125	Unch
Chakki Atta (90kg) Superfine	2050	2050	Unch
Chakki Atta (50kg) Superfine	1135	1135	Unch

Wheat (CBOT) Future Price:18.7.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	498.25	505.00	493.75	494.50	-3.25
18-Dec	512.75	518.75	510.00	510.75	-1.50
19-Mar	526.25	532.25	524.50	526.25	0.25
19-May	537.00	541.50	535.00	536.25	0.75
19-Jul	541.00	545.00	539.75	541.25	1.50
19-Sep	550.25	553.00	550.25	550.50	1.50

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