

**Wheat Domestic Fundamentals:**

**As per trade sources, after increase in import duty to 30 percent imports have decreased substantially.** India has imported no wheat in the month of June-2018. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 31000 tonnes in the month of February-2018. Production in exporting countries like Australia and Russia is likely to stay at lower side, which is likely to keep their export prices at higher side. Therefore, demand for wheat will be, to a large extent, dependent on domestically available wheat.

**As per trade source, India has exported around 2.17 thousand tonnes in the month of June** compared to 2.31 thousand tonnes in May. The quantity in June was exported at an average FOB of \$ 432.95 per tonne and the major destinations were Nepal, UAE, Malaysia, Kuwait and Singapore. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

**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.

**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.

**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.

**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: 20.07.2018 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	+12	1942	1948	1937	1945	1330	-80	6850	-460
18-Sep	+17	1950	1964	1950	1964	290	-250	810	+190
18-Oct	0	1961	1961	1961	1961	0	0	0	0

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	145			
18-Sep		19		
18-Oct			-3	

Stocks	Demat	In- Process	Total	FED
	19.July.18	19.July.18	19.July.18	16.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6085	10	6095	5745
Baran	30	0	30	30

## Wheat Daily Prices and Arrivals on 20.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jul-18	19-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1950	1905	45
	Narella	Mill Quality Loose	1800	1800	Unch
	Nazafgarh	Mill Quality Loose	1825	1830	-5
Gujarat	Rajkot	Mill Delivery	1930	1910	20
	Ahmedabad	Mill Delivery	2100	2080	20
	Surat	Mill Delivery	2130	2120	10
	Dhrol	Mill Quality Loose	1955	1945	10
M.P.	Indore	Mill Delivery	1925	1850	75
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1830	1825	5
		Mill Delivery	1925	1925	Unch
U.P.	Kanpur	Mill Delivery	1815	1810	5
	Mathura	Mill Quality Loose	1765	1760	5
	Kosi	Mill Quality Loose	1745	1740	5
	Hathras	Mill Quality Loose	1825	1760	65
	Aligarh	Mill Quality Loose	1760	1715	45
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1830	10
	Hodal	Mill Delivery	1875	1875	Unch

	Bhiwani	Mill Quality Loose	1860	1850	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2225	2225	Unch
	Madurai	Mill Quality	2282	2282	Unch
	Coimbatore	Mill Quality	2282	2282	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1750	1750	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jul-18	19-Jul-18	
Gujarat	Rajkot	Lokwan	2100	2050	50
M.P.	Indore	Lokwan	2400	2300	100
	Bhopal	Lokwan	2200	2150	50
	Bina	Sarbati 306	2550	2500	50
Rajasthan	Kota	LokwanBilty	2100	2100	Unch
	Baran	Lokwan	1950	1900	50

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Jul-18	19-Jul-18	
Delhi	Lawrence Road	Mill Delivery	6000	9000	-3000
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	50	100	-50
Gujarat	Rajkot	Mill Quality Loose	500	700	-200
	Dhrol	Mill Quality Loose	28	17	11
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	1200	1200	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	800	800	Unch
	Kosi	Mill Quality Loose	800	1000	-200
	Hathras	Mill Quality Loose	50	150	-100
	Aligarh	Mill Quality Loose	600	500	100
Punjab	Khanna	Mill Quality Loose	500	1000	-500
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	150	200	-50
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	600	-100

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

Wheat Products Delhi	20-Jul-18	19-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:19.07.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	493.75	505.75	490.25	504.25	9.75
18-Dec	510.50	521.50	507.00	520.50	9.75
19-Mar	523.00	536.50	522.25	536.00	9.75
19-May	536.00	546.00	534.75	545.75	9.50
19-Jul	540.25	550.00	539.50	549.75	8.50
19-Sep	556.75	558.50	556.50	558.50	8.00

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