

Wheat Domestic Fundamentals:

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 ASW is Rs 2245-2255 per quintal and Ukrainian wheat is Rs 2040-2050 per quintal. Wheat supplies are likely to tighten this year. Stock of imported wheat has declined in past months as no quantity has been imported since February 2018 from Australia or Ukraine.

Government has offered 1652800 tonnes of wheat in OMSS during third week of July-2018 out of which only 74150 tonnes was sold. Total numbers of rakes offered were 74. No wheat was sold under dedicated movement or through rakes. 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 and fourth quarter prices will be Rs 1925 per quintal and Rs 1950 per quintal respectively.

All India weekly average prices decreased by 0.66 percent to Rs. 1898.00 per quintal during the week ended 23rd July 2018. Wheat average price were ruling at Rs 1910.64 per quintal during 09-15 July 2018. As compared to prices in the week 16-23 July 2017, the prices are weak by 0.02 percent. Prices are expected to remain firm in coming days due to increase in import duty and good domestic demand.

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, 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.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 23.07.2018 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	+28	1948	1975	1948	1971	1440	+110	6820	-30
18-Sep	+28	1964	1988	1961	1984	520	+230	1120	+310
18-Oct	+31	1921	2000	1921	2000	50	+50	10	+10

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	146			
18-Sep		13		
18-Oct			16	

Stocks	Demat	In- Process	Total	FED
	21.July.18	21.July.18	21.July.18	16.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	5745
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 23.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jul-18	21-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1975	1980	-5
	Narella	Mill Quality Loose	1825	1825	Unch
	Nazafgarh	Mill Quality Loose	1900	1850	50
Gujarat	Rajkot	Mill Delivery	1940	1930	10
	Ahmedabad	Mill Delivery	2080	2040	40
	Surat	Mill Delivery	2120	2100	20
	Dhrol	Mill Quality Loose	2110	2120	-10
M.P.	Indore	Mill Delivery	Closed	1925	-
	Bhopal	Mill Quality Loose	1900	1850	50
Rajasthan	Kota	Mill Quality Loose	1850	1900	-50
		Mill Delivery	1950	2000	-50
U.P.	Kanpur	Mill Delivery	1840	1815	25
	Mathura	Mill Quality Loose	1800	1800	Unch
	Kosi	Mill Quality Loose	1830	1800	30
	Hathras	Mill Quality Loose	Closed	1825	-
	Aligarh	Mill Quality Loose	1800	1770	30
Punjab	Khanna	Mill Quality Loose	1810	1810	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1835	5
	Hodal	Mill Delivery	1910	1910	Unch

	Bhiwani	Mill Quality Loose	1860	1860	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	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
			23-Jul-18	21-Jul-18	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	Closed	2400	-
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	NA	2550	-
Rajasthan	Kota	LokwanBilty	2050	2100	-50
	Baran	Lokwan	1950	1950	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jul-18	21-Jul-18	
Delhi	Lawrence Road	Mill Delivery	11000	7000	4000
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	600	30	570
Gujarat	Rajkot	Mill Quality Loose	400	400	Unch
	Dhrol	Mill Quality Loose	34	19	15
M.P.	Indore	Mill Quality Loose	Closed	3000	-
Rajasthan	Kota	Mill Quality	1000	1000	Unch
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	1500	200	1300
	Kosi	Mill Quality Loose	250	250	Unch
	Hathras	Mill Quality Loose	Closed	50	-
	Aligarh	Mill Quality Loose	600	1200	-600
Punjab	Khanna	Mill Quality Loose	NA	500	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	85	50	35
	Bhiwani	Mill Quality Loose	600	800	-200

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

Wheat Products Delhi	23-Jul-18	21-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:20.7.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	503.50	519.75	503.00	516.00	11.75
18-Dec	520.50	536.25	519.75	533.00	12.50
19-Mar	535.25	551.75	535.25	548.75	12.75
19-May	545.25	560.50	545.25	557.50	11.75
19-Jul	551.75	563.75	549.75	560.50	10.75
19-Sep	559.00	571.00	559.00	568.50	10.00

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