

Wheat Domestic Fundamentals:

FCI will offer a total quantity 2084650 tonnes of wheat in different states through e-auction on 02nd August 2018 at a reserve price of Rs 1900 per quintal. Of the total quantity in OMSS, highest quantity of 750350 tonnes in Punjab followed by 551050 tonnes in Haryana, 512000 tonnes in Maharashtra, 60000 tonnes in West Bengal, 51000 tonnes in Rajasthan, 50000 tonnes in Odisha, 45000 tonnes in Uttar Pradesh, 34200 tonnes in Chandigarh, 27500 tonnes in Tamil Nadu, 30500 tonnes in Madhya Pradesh, 23800 tonnes in Karnataka, 23000 tonnes in Kerala, 23000 tonnes in Gujarat, 21000 tonnes in Andhra Pradesh, 20000 tonnes in Delhi, 18000 tonnes in Uttarakhand, 18900 tonnes in Chhattisgarh, 11000 tonnes in Assam, 7500 tonnes in J&K, 5000 tonnes in Bihar, 3000 tonnes in Goa, 2500 tonnes in Jharkhand and 2000 tonnes in Himachal Pradesh.

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 2265-2275 per quintal and Ukrainian wheat is Rs 2055-2065 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 Black sea region. As of now ASW is being quoted at AUD 305 per tonne at Kwinana port.

All India weekly average prices increased by 2.44 percent to Rs. 1944.39 per quintal during the week ended 31st July 2018. Wheat average price were ruling at Rs 1898.00 per quintal during 16-23 July 2018. As compared to prices in the week 24-31 July 2017, the prices are firm by 2.58 percent. Prices are expected to remain firm in coming days due to increase in import duty and good domestic demand.

Demand for domestic wheat is likely to be good in MY 2018-19 as with increase in import duty to 30 percent there is no import parity. Furthermore, Production in exporting countries like Australia and Russia is likely to stay at lower side, which is keeping their export prices at higher side. Prices in Russia have already touched a 40-month high. Therefore, demand for wheat will be, to a large extent, dependent on domestically available wheat.

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.

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:

According to latest update by International Grains Council, the production forecast has been decreased by 16 million tons for crop year 2018-19. The production may touch 721 million tons in 2018-19 against 758 million tons for 2015-16. Lower production forecast for wheat may support global wheat prices.

Russian milling wheat prices became firm by \$9-10 per tonne at Novorossiysk and \$4-10 per tonne at Odessa compared to last week. Good demand and lower crop size in major producing countries compared to last year is providing support to prices. As per USDA, Russia is expected to produce 67.00 MMT in 2018 compared to 84.99 MMT in 2017. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$210.00-215.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$208.00-212.00/tonne.

As per latest update, France is likely to harvest 35.00 MMT of wheat compared to 36.6 MMT last year. Overall crop in EU is expected to be below 130 MMT due to hot and dry weather in northern/central parts of Europe.

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

Wheat Futures Contract: NCDEX Price							Date: 01.08.2018 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	-3	1971	1973	1970	1970	290	-230	5640	-120
18-Sep	-5	1994	1994	1987	1987	510	+60	2310	+10
18-Oct	0	2010	2010	2009	2010	110	+90	200	+110

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	80			
18-Sep		17		
18-Oct			23	

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

Wheat Daily Prices and Arrivals on 31.07.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Jul-18	30-Jul-18	
Delhi	Lawrence Road	Mill Delivery	1990	1980	10
	Narella	Mill Quality Loose	1890	1890	Unch
	Nazafgarh	Mill Quality Loose	1925	1925	Unch
Gujarat	Rajkot	Mill Delivery	1975	1980	-5
	Ahmedabad	Mill Delivery	2100	2120	-20
	Surat	Mill Delivery	2150	2160	-10
	Dhrol	Mill Quality Loose	2015	2055	-40
M.P.	Indore	Mill Delivery	2020	Closed	-
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	1880	1880	Unch
		Mill Delivery	2000	2000	Unch
U.P.	Kanpur	Mill Delivery	1820	1820	Unch
	Mathura	Mill Quality Loose	1815	Closed	-
	Kosi	Mill Quality Loose	1830	1830	Unch
	Hathras	Mill Quality Loose	1800	1825	-25
	Aligarh	Mill Quality Loose	1840	1840	Unch
Punjab	Khanna	Mill Quality Loose	1800	1800	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1835	1840	-5
	Hodal	Mill Delivery	1920	1920	Unch

	Bhiwani	Mill Quality Loose	1880	1860	20
	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	1900	1850	50
	Muzaffarpur	Mill Delivery	1850	1850	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Jul-18	30-Jul-18	
Gujarat	Rajkot	Lokwan	2200	2150	50
M.P.	Indore	Lokwan	2300	2200	100
	Bhopal	Lokwan	2250	2250	Unch
	Bina	Sarbati 306	NA	Closed	-
Rajasthan	Kota	LokwanBilty	2100	2100	Unch
	Baran	Lokwan	2000	2000	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Jul-18	30-Jul-18	
Delhi	Lawrence Road	Mill Delivery	7000	10000	-3000
	Narella	Mill Quality Loose	600	300	300
	Nazafgarh	Mill Quality Loose	200	4000	-3800
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	38	38	Unch
M.P.	Indore	Mill Quality Loose	3000	Closed	-
Rajasthan	Kota	Mill Quality	5000	6000	-1000
U.P.	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	300	Closed	-
	Kosi	Mill Quality Loose	350	400	-50
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	400	300	100
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	800	-600

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

Wheat Products Delhi	31-Jul-18	30-Jul-18	Change
Atta (50kg) Ordinary	1100	1100	Unch
Maida Grade 1 (50KG)	1175	1175	Unch
Suji (50kg)	1250	1250	Unch
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1150	1150	Unch
Chakki Atta (50kg) Special	1175	1175	Unch
Chakki Atta (90kg) Superfine	2130	2130	Unch
Chakki Atta (50kg) Superfine	1185	1185	Unch

Wheat (CBOT) Future Price: 30.7.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	533.50	551.75	532.75	546.50	16.00
18-Dec	553.25	571.25	552.50	566.50	16.50
19-Mar	569.50	586.25	568.25	581.75	15.75
19-May	575.50	591.50	574.50	587.50	15.25
19-Jul	573.75	592.00	573.75	587.50	14.00
19-Sep	587.00	598.25	585.50	593.75	13.50

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