

Wheat Domestic Fundamentals:

Government has offered 3735950 tonnes of wheat in OMSS during the month of July-2018 out of which only 177400 tonnes was sold. Total numbers of rakes sold were 2. State government bought 85450 tonnes of wheat. 5300 tonnes was sold in dedicated movement. 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 average monthly prices for wheat decreased by 0.58 percent from Rs 1905.68 (in June -2018) to Rs 1894.67 per qtl in July-2018. Average price (July) is higher by 0.90 percent compared to price (Rs 1877.86 per qtl.) registered in July -2017. Prices are expected to trade steady to firm.

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.

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.

Previous Updates:

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.

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 \$14-15 per tonne at Novorossiysk and \$13-14 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 \$224.00-230.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$222.00-228.00/tonne.

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.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 04.08.2018 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	-5	1975	1992	1970	1975	980	+220	5020	-470
18-Sep	-4	2001	2004	1985	1994	1650	+250	3010	+350
18-Oct	-6	2020	2020	2010	2010	240	+30	420	+420

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	95			
18-Sep		19		
18-Oct			16	

Stocks	Demat	In- Process	Total	EDD
	02.Aug.18	02.Aug.18	02.Aug.18	30.July.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 04.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Aug-18	3-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1880	1880	Unch
	Nazafgarh	Mill Quality Loose	1900	1905	-5
Gujarat	Rajkot	Mill Delivery	1950	1950	Unch
	Ahmedabad	Mill Delivery	2090	2100	-10
	Surat	Mill Delivery	2140	2140	Unch
	Dhrol	Mill Quality Loose	2075	NA	-
M.P.	Indore	Mill Delivery	2025	2050	-25
	Bhopal	Mill Quality Loose	2010	2000	10
Rajasthan	Kota	Mill Quality Loose	1860	1850	10
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1815	1815	Unch
	Mathura	Mill Quality Loose	1800	1805	-5
	Kosi	Mill Quality Loose	1810	1820	-10
	Hathras	Mill Quality Loose	1780	1790	-10
	Aligarh	Mill Quality Loose	1800	1800	Unch
Punjab	Khanna	Mill Quality Loose	1820	1820	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1825	1825	Unch

	Hodal	Mill Delivery	1920	1920	Unch
	Bhiwani	Mill Quality Loose	1900	1900	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2335	2335	Unch
	Madurai	Mill Quality	2392	2392	Unch
	Coimbatore	Mill Quality	2392	2392	Unch
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	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
			4-Aug-18	3-Aug-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2300	100
	Bhopal	Lokwan	2250	2200	50
	Bina	Sarbati 306	NA	NA	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	2000	2030	-30

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Aug-18	3-Aug-18	
Delhi	Lawrence Road	Mill Delivery	14000	9000	5000
	Narella	Mill Quality Loose	500	400	100
	Nazafgarh	Mill Quality Loose	150	150	Unch
Gujarat	Rajkot	Mill Quality Loose	500	900	-400
	Dhrol	Mill Quality Loose	25	NA	-
M.P.	Indore	Mill Quality Loose	2000	6000	-4000
Rajasthan	Kota	Mill Quality	2500	2000	500
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	1500	1000	500
	Kosi	Mill Quality Loose	1000	800	200
	Hathras	Mill Quality Loose	550	550	Unch
	Aligarh	Mill Quality Loose	300	250	50
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(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	400	800	-400
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	4-Aug-18	3-Aug-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: 03.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	559.50	593.00	559.00	560.50	2.25
18-Dec	579.75	613.00	579.50	582.75	4.00
19-Mar	595.00	627.50	595.00	600.00	6.00
19-May	599.00	630.00	599.00	606.00	7.50
19-Jul	597.00	617.25	595.00	597.50	0.75
19-Sep	606.75	622.50	601.75	603.75	0.50

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