

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 2285-2295 per quintal and Ukrainian wheat is Rs 2075-2095 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 322 per tonne at Kwinana port.

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.

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:

Russia has exported 19.3 MMT of wheat in first six months of 2018 compared to 11.38 MMT during the same period last year. India has imported no quantity of wheat from Russia since April-2018.

France's farm ministry has reduced its forecast for wheat to 35.1 MMT due to unfavourable weather conditions. In 2017, France has produced 36.6 MMT in 2017.

GASC has purchased 240000 tonnes of Russian and Romanian wheat through tender. Of the total quantity 180000 tonnes has been sourced from Russia and 60000 tonnes has been sourced from Romania. Aston offered 60000 tonnes of Russian wheat at FoB \$235.50 per tonne, Ameropa offered 60000 tonnes of Romanian wheat at FoB \$238.22 per tonne, GTCS offered 60000 tonnes of Russian wheat at FoB \$238.00 per tonne and Posco offered 60000 tonnes of Russian wheat at FoB \$238.25 per tonne.

As per latest update, Japan's ministry of agriculture bought 107843 MT of food quality wheat from United States and Canada. Around 47178 MT has been bought from United States and 60665 MT of standard western red spring has been bought from west Canada. Shipments from United States will be loaded between Oct 01 and Oct 31, 2018 whereas shipments from Canada will be loaded between Sept 01 and Sept 30, 2018.

Algeria state grains agency OAIC has bought around 360000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid were in the range of \$269.00 - \$272.00 per tonne (Cost and Freight). The quantity to be shipped is due in October.

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

Wheat Futures Contract: NCDEX Price							Date: 07.08.2018 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	+9	1967	1978	1964	1978	460	+160	4510	-340
18-Sep	-2	1985	1989	1979	1983	380	-50	2970	+40
18-Oct	-1	2001	2000	2000	2000	70	+50	480	+40

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	108			
18-Sep		5		
18-Oct			17	

Stocks	Demat	In- Process	Total	EDD
	06.Aug.18	06.Aug.18	06.Aug.18	06.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 07.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Aug-18	6-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1975	1975	Unch
	Narella	Mill Quality Loose	1870	1870	Unch
	Nazafgarh	Mill Quality Loose	1880	1900	-20
Gujarat	Rajkot	Mill Delivery	1930	1950	-20
	Ahmedabad	Mill Delivery	2070	2080	-10
	Surat	Mill Delivery	2120	2120	Unch
	Dhrol	Mill Quality Loose	2015	2045	-30
M.P.	Indore	Mill Delivery	2000	2020	-20
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	1860	1860	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1800	1800	Unch
	Mathura	Mill Quality Loose	1805	1805	Unch
	Kosi	Mill Quality Loose	1810	1830	-20
	Hathras	Mill Quality Loose	1800	1780	20
	Aligarh	Mill Quality Loose	1790	1780	10
Punjab	Khanna	Mill Quality Loose	1820	1820	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1830	1830	Unch
	Hodal	Mill Delivery	1920	1920	Unch

	Bhiwani	Mill Quality Loose	1890	1900	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2350	Unch
	Madurai	Mill Quality	2407	2407	Unch
	Coimbatore	Mill Quality	2407	2407	Unch
Bihar	Khagariya	Mill Delivery	1800	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
			7-Aug-18	6-Aug-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2550	2550	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	2000	2000	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Aug-18	6-Aug-18	
Delhi	Lawrence Road	Mill Delivery	7500	9000	-1500
	Narella	Mill Quality Loose	400	300	100
	Nazafgarh	Mill Quality Loose	200	100	100
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	51	57	-6
M.P.	Indore	Mill Quality Loose	4000	2000	2000
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	900	800	100
	Kosi	Mill Quality Loose	500	600	-100
	Hathras	Mill Quality Loose	400	500	-100
	Aligarh	Mill Quality Loose	500	250	250
Punjab	Khanna	Mill Quality Loose	800	NA	-
	(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	600	-200

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

Wheat Products Delhi	7-Aug-18	6-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: 06.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	555.00	576.25	551.50	574.50	18.25
18-Dec	579.50	598.75	575.25	597.25	17.50
19-Mar	597.25	616.50	595.00	615.00	15.75
19-May	602.00	620.00	601.50	619.00	13.75
19-Jul	597.75	612.25	594.00	610.75	13.00
19-Sep	603.50	617.75	600.75	616.75	12.50

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