

Wheat Domestic Fundamentals:

Wheat price have increased considerably in past weeks. This increase in prices is burdening manufacturers like ITC and Britannia, who may in turn pass this burden onto consumers. Varun Berry, managing director of Britannia Industries said a 3 to 4 percent price increase across categories is on the cards.

FCI will offer a total quantity 2416150 tonnes of wheat in different states through e-auction on 09th August 2018 at a reserve price of Rs 1900 per quintal. Of the total quantity in OMSS, highest quantity of 920600 tonnes in Punjab followed by 527500 tonnes in Maharashtra, 497050 tonnes in Haryana, 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 45000 tonnes in Uttar Pradesh, 40000 tonnes in Madhya Pradesh, 37000 tonnes in Rajasthan, 29500 tonnes in Tamil Nadu, 29200 tonnes in Chandigarh, 28000 tonnes in Kerala, 23900 tonnes in Karnataka, 20500 tonnes in Gujarat, 20000 tonnes in Delhi, 18000 tonnes in Andhra Pradesh, 18900 tonnes in Chhattisgarh, 18000 tonnes in Uttarakhand, 10500 tonnes in Assam, 10000 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 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.

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 Uttrakhand, 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.

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

Wheat Futures Contract: NCDEX Price							Date: 08.08.2018 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	+7	2015	2015	1980	1980	990	+530	3690	-820
18-Sep	+6	1984	1992	1984	1991	830	+450	3480	+510
18-Oct	+2	2002	2002	2002	2002	10	-60	480	0

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	110			
18-Sep		11		
18-Oct			11	

Stocks	Demat	In- Process	Total	EDD
	07.Aug.18	07.Aug.18	07.Aug.18	06.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 08.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Aug-18	7-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1975	5
	Narella	Mill Quality Loose	Closed	1870	-
	Nazafgarh	Mill Quality Loose	Closed	1880	-
Gujarat	Rajkot	Mill Delivery	1935	1930	5
	Ahmedabad	Mill Delivery	2090	2070	20
	Surat	Mill Delivery	2130	2120	10
	Dhrol	Mill Quality Loose	2035	2015	20
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1950	2000	-50
Rajasthan	Kota	Mill Quality Loose	1850	1860	-10
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1810	1800	10
	Mathura	Mill Quality Loose	1780	1805	-25
	Kosi	Mill Quality Loose	1815	1810	5
	Hathras	Mill Quality Loose	1790	1800	-10
	Aligarh	Mill Quality Loose	Closed	1790	-
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	1880	1890	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2350	-50
	Madurai	Mill Quality	2357	2407	-50
	Coimbatore	Mill Quality	2357	2407	-50
Bihar	Khagariya	Mill Delivery	1800	1800	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
			8-Aug-18	7-Aug-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	Closed	2550	-
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	2000	2000	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Aug-18	7-Aug-18	
Delhi	Lawrence Road	Mill Delivery	8000	7500	500
	Narella	Mill Quality Loose	Closed	400	-
	Nazafgarh	Mill Quality Loose	Closed	200	-
Gujarat	Rajkot	Mill Quality Loose	600	800	-200
	Dhrol	Mill Quality Loose	34	51	-17
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	1500	900	600
	Kosi	Mill Quality Loose	400	500	-100
	Hathras	Mill Quality Loose	500	400	100
	Aligarh	Mill Quality Loose	Closed	500	-
Punjab	Khanna	Mill Quality Loose	800	800	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	800	400	400



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

Wheat Products Delhi	8-Aug-18	7-Aug-18	Change
Atta (50kg) Ordinary	1050	1100	-50
Maida Grade 1 (50KG)	1150	1175	-25
Suji (50kg)	1225	1250	-25
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1100	1150	-50
Chakki Atta (50kg) Special	1125	1175	-50
Chakki Atta (90kg) Superfine	2045	2130	-85
Chakki Atta (50kg) Superfine	1135	1185	-50

Wheat (CBOT) Future Price: 07.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	575.25	586.25	564.00	568.25	-6.25
18-Dec	598.00	607.75	587.25	590.00	-7.25
19-Mar	615.25	625.00	605.50	609.25	-5.75
19-May	618.00	628.25	610.75	615.00	-4.00
19-Jul	610.00	619.00	601.75	605.25	-5.50
19-Sep	615.50	624.25	608.25	611.25	-5.50

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.