

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:

As per latest update, Japan's ministry of agriculture bought 150640 MT of food quality wheat from United States, Canada and Australia. Around 49180 MT has been bought from United States, 65450 MT of western red spring has been bought from Canada and 36010 MT of standard white wheat has been bought from west Australia. Shipments from United States, Canada and Australia will be loaded between Oct 01 and Oct 31, 2018.

Russian milling wheat prices became firm by \$5-6 per tonne at Novorossiysk and \$7-8 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 \$230.00-235.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$230.00-235.00/tonne.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 09.08.2018 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	+2	1975	1985	1970	1984	640	-350	3410	-280
18-Sep	+1	1988	1992	1988	1991	530	-300	3520	+40
18-Oct	0	2002	2002	2002	2002	480	+470	0	-480

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	114			
18-Sep		7		
18-Oct			11	

Stocks	Demat	In- Process	Total	EDD
	08.Aug.18	08.Aug.18	08.Aug.18	06.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 09.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Aug-18	8-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1870	Closed	-
	Nazafgarh	Mill Quality Loose	1885	Closed	-
Gujarat	Rajkot	Mill Delivery	1930	1935	-5
	Ahmedabad	Mill Delivery	2090	2090	Unch
	Surat	Mill Delivery	2130	2130	Unch
	Dhrol	Mill Quality Loose	2005	2035	-30
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1810	1810	Unch
	Mathura	Mill Quality Loose	1795	1780	15
	Kosi	Mill Quality Loose	1790	1815	-25
	Hathras	Mill Quality Loose	1790	1790	Unch
	Aligarh	Mill Quality Loose	1800	Closed	-
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	1940	1920	20

	Bhiwani	Mill Quality Loose	1860	1880	-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	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
			9-Aug-18	8-Aug-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2550	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1950	2000	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Aug-18	8-Aug-18	
Delhi	Lawrence Road	Mill Delivery	7500	8000	-500
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	800	600	200
	Dhrol	Mill Quality Loose	19	34	-15
M.P.	Indore	Mill Quality Loose	4000	3000	1000
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	700	1500	-800
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	500	500	Unch
	Aligarh	Mill Quality Loose	400	Closed	-
Punjab	Khanna	Mill Quality Loose	800	800	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	800	-300

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

Wheat Products Delhi	9-Aug-18	8-Aug-18	Change
Atta (50kg) Ordinary	1050	1050	Unch
Maida Grade 1 (50KG)	1150	1150	Unch
Suji (50kg)	1225	1225	Unch
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1100	1100	Unch
Chakki Atta (50kg) Special	1125	1125	Unch
Chakki Atta (90kg) Superfine	2045	2045	Unch
Chakki Atta (50kg) Superfine	1135	1135	Unch

Wheat (CBOT) Future Price: 08.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	569.75	578.00	564.50	570.00	1.75
18-Dec	591.50	599.00	586.25	591.25	1.25
19-Mar	610.25	618.25	606.00	611.50	2.25
19-May	615.75	625.25	613.50	619.75	4.75
19-Jul	605.25	613.75	601.50	609.25	4.00
19-Sep	610.25	619.25	607.75	615.25	4.00

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