

Wheat Domestic Fundamentals:

All India weekly average prices increased by 5.37 percent to Rs. 2048.77 per quintal during the week ended 08th July 2018. Wheat average price were ruling at Rs 1944.39 per quintal during 24-31 July 2018. As compared to prices in the week 01-08 August 2017, the prices are firm by 0.54 percent. Prices are expected to remain firm in coming days due to increase in import duty and good domestic demand.

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.

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.

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:

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.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 10.08.2018 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	1968	1980	1968	1975	1200	560	2790	-620
18-Sep	-2	1990	1997	1985	1988	700	170	3700	180
18-Oct	0	2000	2000	2000	2000	50	-430	530	530

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	95			
18-Sep		13		
18-Oct			12	

Stocks	Demat	In- Process	Total	EDD
	09.Aug.18	09.Aug.18	09.Aug.18	06.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 10.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Aug-18	9-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1880	1870	10
	Nazafgarh	Mill Quality Loose	1885	1885	Unch
Gujarat	Rajkot	Mill Delivery	1930	1930	Unch
	Ahmedabad	Mill Delivery	2090	2090	Unch
	Surat	Mill Delivery	2130	2130	Unch
	Dhrol	Mill Quality Loose	2110	2005	105
M.P.	Indore	Mill Delivery	1950	2000	-50
	Bhopal	Mill Quality Loose	1925	1950	-25
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1820	1810	10
	Mathura	Mill Quality Loose	1785	1795	-10
	Kosi	Mill Quality Loose	1790	1790	Unch
	Hathras	Mill Quality Loose	1810	1790	20
	Aligarh	Mill Quality Loose	1790	1800	-10
Punjab	Khanna	Mill Quality Loose	1825	1820	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1830	1830	Unch
	Hodal	Mill Delivery	1940	1940	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	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
			10-Aug-18	9-Aug-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	3000	2550	450
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1990	1950	40

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Aug-18	9-Aug-18	
Delhi	Lawrence Road	Mill Delivery	8000	7500	500
	Narella	Mill Quality Loose	300	200	100
	Nazafgarh	Mill Quality Loose	300	150	150
Gujarat	Rajkot	Mill Quality Loose	700	800	-100
	Dhrol	Mill Quality Loose	38	19	19
M.P.	Indore	Mill Quality Loose	2500	4000	-1500
Rajasthan	Kota	Mill Quality	1200	2000	-800
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	1000	700	300
	Kosi	Mill Quality Loose	600	400	200
	Hathras	Mill Quality Loose	500	500	Unch
	Aligarh	Mill Quality Loose	400	400	Unch
Punjab	Khanna	Mill Quality Loose	1000	800	200
	(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	800	500	300

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

Wheat Products Delhi	10-Aug-18	9-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: 09.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	570.50	573.75	561.75	564.50	-5.50
18-Dec	592.00	594.50	582.00	586.50	-4.75
19-Mar	612.25	614.75	602.25	607.00	-4.50
19-May	620.25	621.25	610.75	614.75	-5.00
19-Jul	609.50	612.00	600.75	604.25	-5.00
19-Sep	616.50	617.00	606.25	610.00	-5.25

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