

### 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 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:

Western Australia accounts for around 10 MMT of wheat. Eastern Australia has seen driest July since 2002. As per Grain Industry Association of Western Australia, crop condition is near perfect and crops are ahead of where they would normally be in the season. Although wheat crop is now exposed to sudden hot weather or frost in six to seven weeks.

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 Contact: 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	-2	1968	1980	1968	1978	1200	560	2790	-620
18-Sep	0	1990	1997	1985	1990	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	103		
18-Sep		12	
18-Oct			10

Stocks	Demat	In- Process	Total	EDD
	10.Aug.18	10.Aug.18	10.Aug.18	06.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

**Wheat Daily Prices and Arrivals on 11.08.2018**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Aug-18	10-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1875	1880	-5
	Nazafgarh	Mill Quality Loose	1900	1885	15
Gujarat	Rajkot	Mill Delivery	1910	1930	-20
	Ahmedabad	Mill Delivery	2070	2090	-20
	Surat	Mill Delivery	2120	2130	-10
	Dhrol	Mill Quality Loose	2020	2110	-90
M.P.	Indore	Mill Delivery	Closed	1950	-
	Bhopal	Mill Quality Loose	Closed	1925	-
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1960	1950	10
U.P.	Kanpur	Mill Delivery	1815	1820	-5
	Mathura	Mill Quality Loose	1785	1785	Unch
	Kosi	Mill Quality Loose	1785	1790	-5
	Hathras	Mill Quality Loose	1810	1810	Unch
	Aligarh	Mill Quality Loose	1790	1790	Unch
Punjab	Khanna	Mill Quality Loose	1825	1825	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1830	1830	Unch
	Hodal	Mill Delivery	1940	1940	Unch

	Bhiwani	Mill Quality Loose	1875	1880	-5
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
<b>Bihar</b>	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1850	1850	Unch
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-Aug-18	10-Aug-18	
<b>Gujarat</b>	Rajkot	Lokwan	2100	2150	-50
<b>M.P.</b>	Indore	Lokwan	Closed	2400	-
	Bhopal	Lokwan	Closed	2200	-
	Bina	Sarbati 306	Closed	3000	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2150	2100	50
	Baran	Lokwan	1980	1990	-10

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-Aug-18	10-Aug-18	
<b>Delhi</b>	Lawrence Road	Mill Delivery	7500	8000	-500
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	150	300	-150
<b>Gujarat</b>	Rajkot	Mill Quality Loose	700	700	Unch
	Dhrol	Mill Quality Loose	65	38	27
<b>M.P.</b>	Indore	Mill Quality Loose	Closed	2500	-
<b>Rajasthan</b>	Kota	Mill Quality	2000	1200	800
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	800	1000	-200
	Kosi	Mill Quality Loose	500	600	-100
	Hathras	Mill Quality Loose	500	500	Unch
	Aligarh	Mill Quality Loose	400	400	Unch
<b>Punjab</b>	Khanna	Mill Quality Loose	800	1000	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	600	800	-200

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

Wheat Products Delhi	11-Aug-18	10-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: 10.08.2018					
Contract Month	Open	High	Low	Close	Change
<b>18-Sep</b>	564.75	574.00	545.75	546.75	<b>-17.75</b>
<b>18-Dec</b>	587.00	595.50	568.25	569.50	<b>-17.00</b>
<b>19-Mar</b>	606.25	615.50	589.50	591.00	<b>-16.00</b>
<b>19-May</b>	614.75	621.50	597.25	598.75	<b>-16.00</b>
<b>19-Jul</b>	604.00	608.75	589.00	590.75	<b>-13.50</b>
<b>19-Sep</b>	610.00	613.25	596.25	597.75	<b>-12.25</b>

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