

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 2290-2300 per quintal and Ukrainian wheat is Rs 2080-2100 per quintal. Australian Premium Wheat (APW) is not available in the domestic market. 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.

Wheat prices in Australia and Black sea region have become firm in past weeks. As of now, Russian wheat with 11.5 percent protein content and Australian standard wheat (ASW) is being quoted at \$312 per tonne and \$338 per tonne respectively, after including freight and import duty @30%. Local expenses will make imported wheat more expensive. Therefore, there is no parity for imported wheat as of now. Domestic demand for wheat is good and is likely to increase as lean season progresses.

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.

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:

Egypt, one of the largest importers of wheat, has allowed wheat with 13.5 percent moisture for additional nine months and is effective retroactively from 03rd July'18. Egypt has purchased major quantity from Russia in recent years. However allowing wheat with higher moisture content will benefit other origins, such as France, which produces wheat with higher moisture content.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 13.08.2018 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	-6	1975	1981	1970	1972	280	-920	2730	-60
18-Sep	-6	1986	1988	1984	1984	140	-560	3710	+10
18-Oct	-3	2005	2005	1997	1997	90	+40	580	+50

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	92			
18-Sep		12		
18-Oct			13	

Stocks	Demat	In- Process	Total	EDD
	11.Aug.18	11.Aug.18	11.Aug.18	06.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 13.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Aug-18	11-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1880	1875	5
	Nazafgarh	Mill Quality Loose	1900	1900	Unch
Gujarat	Rajkot	Mill Delivery	1925	1910	15
	Ahmedabad	Mill Delivery	2070	2070	Unch
	Surat	Mill Delivery	2120	2120	Unch
	Dhrol	Mill Quality Loose	1995	2020	-25
M.P.	Indore	Mill Delivery	1950	Closed	-
	Bhopal	Mill Quality Loose	2000	Closed	-
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1960	1960	Unch
U.P.	Kanpur	Mill Delivery	1810	1815	-5
	Mathura	Mill Quality Loose	1800	1785	15
	Kosi	Mill Quality Loose	1775	1785	-10
	Hathras	Mill Quality Loose	NR	1810	-
	Aligarh	Mill Quality Loose	1780	1790	-10
Punjab	Khanna	Mill Quality Loose	1840	1825	15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1830	1830	Unch
	Hodal	Mill Delivery	1940	1940	Unch

	Bhiwani	Mill Quality Loose	1860	1875	-15
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2325	2325	Unch
	Madurai	Mill Quality	2382	2382	Unch
	Coimbatore	Mill Quality	2382	2382	Unch
Bihar	Khagariya	Mill Delivery	1850	1800	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
			13-Aug-18	11-Aug-18	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2400	Closed	-
	Bhopal	Lokwan	2200	Closed	-
	Bina	Sarbati 306	3000	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1990	1980	10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Aug-18	11-Aug-18	
Delhi	Lawrence Road	Mill Delivery	7000	7500	-500
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	150	150	Unch
Gujarat	Rajkot	Mill Quality Loose	900	700	200
	Dhrol	Mill Quality Loose	13	65	-52
M.P.	Indore	Mill Quality Loose	5000	Closed	-
Rajasthan	Kota	Mill Quality	2000	1500	500
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	700	800	-100
	Kosi	Mill Quality Loose	700	500	200
	Hathras	Mill Quality Loose	NR	500	-
	Aligarh	Mill Quality Loose	600	400	200
Punjab	Khanna	Mill Quality Loose	1500	800	700
	(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	300	600	-300

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

Wheat Products Delhi	13-Aug-18	11-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
18-Sep	564.75	574.00	545.75	546.75	-17.75
18-Dec	587.00	595.50	568.25	569.50	-17.00
19-Mar	606.25	615.50	589.50	591.00	-16.00
19-May	614.75	621.50	597.25	598.75	-16.00
19-Jul	604.00	608.75	589.00	590.75	-13.50
19-Sep	610.00	613.25	596.25	597.75	-12.25

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