

Wheat Domestic Fundamentals:

FCI will offer a total quantity 2060750 tonnes of wheat in different states through e-auction on 17th August 2018 at a reserve price of Rs 1900 per quintal. Of the total quantity in OMSS, highest quantity of 759650 tonnes in Punjab followed by 534500 tonnes in Maharashtra, 298000 tonnes in Haryana, 60000 tonnes in West Bengal, 50000 tonnes in Odisha, 50000 tonnes in Uttar Pradesh, 40000 tonnes in Madhya Pradesh, 36000 tonnes in Rajasthan, 29600 tonnes in Tamil Nadu, 26000 tonnes in Kerala, 22700 tonnes in Karnataka, 23500 tonnes in Gujarat, 22400 tonnes in Chandigarh, 20000 tonnes in Delhi, 19000 tonnes in Uttarakhand, 18900 tonnes in Chhattisgarh, 18000 tonnes in Andhra Pradesh, 10500 tonnes in Assam, 9000 tonnes in J&K, 4500 tonnes in Bihar, 4000 tonnes in Jharkhand, 2500 tonnes in Goa and 2000 tonnes in Himachal Pradesh.

As per latest update, wheat stock in central pool as on 1st August'18 stood at 405.58 lakh tonnes down by 2.97% compared to last month. This quantity is higher by around 34.93% compared to last year for the same month. Government has surpassed their procurement target of 32 MMT this year. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st August'18 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

Wheat WPI has increased slightly from 143.1 in June-2018 to 144.9 in July-2018. Monthly wheat inflation has increased by 1.26 percent in July -2018 compared to previous month. As compared to July-2017 wheat WPI has increased by around 6.31 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

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.

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:

Russian milling wheat prices became weak by \$2-3 per tonne at Novorossiysk and \$2-3 per tonne at Odessa compared to last week. After surge in prices during past weeks, prices have started easing. As per USDA, Russia is expected to produce 68.00 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 \$228.00-232.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$228.00-232.00/tonne.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 16.08.2018 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	1	1988	1989	1983	1989	550	-150	2100	-630
18-Sep	-8	1984	1984	1973	1980	490	360	4140	400
18-Oct	-14	1990	1991	1990	1991	30	20	600	10

Spread	Aug-18	Sep-18	Oct-18	
Spot Narela				
18-Aug	99			
18-Sep		-9		
18-Oct			11	

Stocks	Demat	In- Process	Total	EDD
	14.Aug.18	14.Aug.18	14.Aug.18	13.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6095	0	6095	6095
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 16.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Aug-18	14-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1970	1980	-10
	Narella	Mill Quality Loose	1890	1880	10
	Nazafgarh	Mill Quality Loose	1885	1900	-15
Gujarat	Rajkot	Mill Delivery	1935	1930	5
	Ahmedabad	Mill Delivery	2080	2030	50
	Surat	Mill Delivery	2110	2080	30
	Dhrol	Mill Quality Loose	2000	2030	-30
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1950	2000	-50
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1960	1960	Unch
U.P.	Kanpur	Mill Delivery	1850	1810	40
	Mathura	Mill Quality Loose	1805	1805	Unch
	Kosi	Mill Quality Loose	1785	1775	10
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1785	1790	-5
Punjab	Khanna	Mill Quality Loose	1850	1850	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	1840	1870	-30
	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	1800	1850	-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
			16-Aug-18	14-Aug-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2150	2200	-50
	Bina	Sarbati 306	3000	3000	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1990	1990	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Aug-18	14-Aug-18	
Delhi	Lawrence Road	Mill Delivery	9000	6500	2500
	Narella	Mill Quality Loose	400	400	Unch
	Nazafgarh	Mill Quality Loose	200	40	160
Gujarat	Rajkot	Mill Quality Loose	1100	800	300
	Dhrol	Mill Quality Loose	55	31	24
M.P.	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	800	800	Unch
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	600	700	-100
Punjab	Khanna	Mill Quality Loose	500	800	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	200	300
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	600	-200

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

Wheat Products Delhi	16-Aug-18	14-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: 15.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	541.00	542.75	528.25	532.25	-9.50
18-Dec	560.75	562.50	549.00	551.75	-9.50
19-Mar	581.75	583.50	570.50	574.25	-8.50
19-May	592.50	592.50	580.50	584.25	-8.00
19-Jul	586.75	587.75	576.75	578.75	-8.75
19-Sep	594.00	594.00	582.50	585.25	-8.75

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