

### Wheat Domestic Fundamentals:

**FCI will offer a total quantity 1974400 tonnes of wheat** in different states through e-auction on 24th August 2018 at a reserve price of Rs 1900 per quintal. FCI has sold 177400 tonnes of wheat in July-18 against offered quantity of 3735950 tonnes.

**As per trade sources imported wheat from various origins to Tuticorin port witnessed firm tone in the week.** As of now Tuticorin port price for ASW is Rs 2305-2315 per quintal and Ukrainian wheat is Rs 2090-2110 per quintal. Australian Premium Wheat (APW) is not available in the domestic market. Stock of imported wheat has declined in past months as no quantity has been imported since February 2018 from Australia or Black sea region.

**All India weekly average prices decreased by 1.44 percent to Rs. 2019.19 per quintal during the week ended 15th August 2018.** Wheat average price were ruling at Rs 2048.77 per quintal during 01-08 August 2018. As compared to prices in the week 09-15 August 2017, the prices are firm by 4.02 percent. Prices are expected to remain firm in coming days due to increase in import duty and good domestic demand.

**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 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. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

**IMD has already issued its forecast for normal monsoon during June-September'18 and rainfall is expected to be 97% of the LPA.** However, IMD may downgrade its forecast for Monsoon during August and September which will eventually lead to fall in the prediction for entire season. Below normal monsoon will lead to lower soil moisture, which in turn will slightly affect yield of wheat during rabi season.

### Previous Updates:

**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 on 13th August, US have harvested 94 percent of winter wheat and 35 percent of spring wheat.** Harvest in Ukraine is nearly complete and farmers have harvested around 24.9 MMT of wheat in 2018-19. In Saskatchewan, around 24 percent and 3 percent of winter wheat and durum wheat has been harvested respectively. As per Buenos Aires grain exchange wheat planted area in Argentina has increased by 7 percent compared to 6.1 million acres last year. Global wheat crop is expected to be lower this year, which is likely to provide support to global wheat prices.

**Wheat crops have suffered in Northern Europe, Australia, Canada and Russia due to unfavourable weather conditions.** USDA expects world production is likely to be around 729.63 MMT in 2018-19 compared to 758 MMT last year. Strategie Grains have lowered forecast for soft wheat in Europe from 130 MMT to 127.7 MMT. As per USDA, Russia's wheat crop is expected to be around 68 MMT down from 85 MMT last year. USDA did not change forecast for Australia but private forecasters believe the crop to be around 20 MMT. Lower availability will support global wheat prices.

**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.

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

Wheat Futures Contract: NCDEX Price							Date: 23.08.2018 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-Sep	+7	1990	2001	1984	1992	650	+560	3780	-170
18-Oct	+4	2001	2001	1994	1994	70	+70	620	+30
18-Nov	0	1995	1995	1995	1995	0	0	0	0

Spread	Sep-18	Oct-18	Nov-18	
Spot Narela				
18-Sep	92			
18-Oct		2		
18-Nov			1	

Stocks	Demat	In- Process	Total	EDD
	21.Aug.18	21.Aug.18	21.Aug.18	20.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6712	0	6712	6712
Baran	30	0	30	30

### Wheat Daily Prices and Arrivals on 23.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Aug-18	22-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1975	1975	Unch
	Narella	Mill Quality Loose	1900	Closed	-
	Nazafgarh	Mill Quality Loose	1890	Closed	-
Gujarat	Rajkot	Mill Delivery	1915	1910	5
	Ahmedabad	Mill Delivery	2070	2065	5
	Surat	Mill Delivery	2100	2100	Unch
	Dhrol	Mill Quality Loose	2080	2015	65
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1950	Closed	-
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1860	Closed	-
	Mathura	Mill Quality Loose	1800	1770	30
	Kosi	Mill Quality Loose	1785	1785	Unch
	Hathras	Mill Quality Loose	1760	Closed	-
	Aligarh	Mill Quality Loose	1790	Closed	-
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	1850	Closed	-
	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	1750	1750	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
			23-Aug-18	22-Aug-18	
<b>Gujarat</b>	Rajkot	Lokwan	2100	2100	Unch
<b>M.P.</b>	Indore	Lokwan	2425	2425	Unch
	Bhopal	Lokwan	2150	Closed	-
	Bina	Sarbati 306	3000	Closed	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1950	1950	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Aug-18	22-Aug-18	
<b>Delhi</b>	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	NA	Closed	-
	Nazafgarh	Mill Quality Loose	NA	Closed	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	800	800	Unch
	Dhrol	Mill Quality Loose	43	16	27
<b>M.P.</b>	Indore	Mill Quality Loose	4000	2500	1500
<b>Rajasthan</b>	Kota	Mill Quality	1000	1000	Unch
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	Closed	-
	Mathura	Mill Quality Loose	850	800	50
	Kosi	Mill Quality Loose	200	150	50
	Hathras	Mill Quality Loose	50	Closed	-
	Aligarh	Mill Quality Loose	500	Closed	-
<b>Punjab</b>	Khanna	Mill Quality Loose	700	500	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	Closed	-

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

Wheat Products Delhi	23-Aug-18	22-Aug-18	Change
Atta (50kg) Ordinary	1050	1050	Unch
Maida Grade 1 (50KG)	1150	1150	Unch
Suji (50kg)	1200	1200	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: 22.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	526.50	533.00	520.50	526.00	-1.25
18-Dec	547.00	552.50	540.00	545.25	-2.50
19-Mar	570.00	575.25	563.50	568.50	-2.75
19-May	581.25	586.50	574.25	579.75	-2.00
19-Jul	575.25	580.00	568.00	573.25	-1.75
19-Sep	580.50	586.75	575.00	580.25	-1.50

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.