

### **Wheat Domestic Fundamentals:**

**All India weekly average prices increased by 0.66 percent to Rs. 2020.39 per quintal during the week ended 23rd August 2018.** Wheat average price were ruling at Rs 2019.19 per quintal during 09-15 August 2018. As compared to prices in the week 16-23 August 2017, the prices are firm by 0.80 percent. Prices are expected to remain firm in coming days due to good domestic demand.

**India's import are expected to be 0.5 MMT or lower in MY 2018-19 due to good availability in domestic market and higher prices of wheat in Australia and Black sea region.** As of now quotes for imported wheat from Australia and Black sea region is coming around \$335-365 per tonnes after including freight and import duty @30%. Local expenses would add to import quotes. Therefore, there is no parity for imported wheat.

**Indian FoB quote is hovering around \$296.89 per tonne.** Against it Russia, Ukraine, France, US and Australia are offering wheat at \$218.13, \$219.50, Euro 213.19 \$224.44 and \$260.15 per tonne respectively. There is little hope for recovery at export front this year. However, India is expected to import around 0.5 million tonnes in MY 2018-19.

**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.

**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 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.

**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.

### **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 21st August, Russia has harvested around 54.2 MMT of wheat** from 16 million hectares of land compared to 59.5 MMT last year for the same date. Harvesting in Ukraine is complete and Ukraine has harvested 25 MMT of wheat compared to 26.6 MMT last year. In July-18, Russia and Ukraine has exported 3.9 MMT has exported 0.43 MMT of wheat respectively. Prices are ruling at higher side in Black Sea due to lower production and good export demand.

**Russian milling wheat prices became weak by \$2-3 per tonne** at Novorossiysk and \$2-3 per tonne at Odessa compared to last week. Prices remained weak as Eid holiday kept demand at lower side. 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 \$225.00-230.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$225.00-230.00/tonne.

**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.

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

Wheat Futures Contract: NCDEX Price							Date: 24.08.2018 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	0	1985	1991	1985	1990	360	-290	3580	-200
18-Oct	-9	1991	1991	1991	1991	0	-70	620	0
18-Nov	-18	2010	1992	1992	1992	0	0	0	0

Spread	Sep-18	Oct-18	Nov-18	
Spot Narela				
18-Sep	110			
18-Oct		1		
18-Nov			1	

Stocks	Demat	In- Process	Total	EDD
	24.Aug.18	24.Aug.18	24.Aug.18	20.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6712	0	6712	6712
Baran	30	0	30	30

## Wheat Daily Prices and Arrivals on 25.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Aug-18	24-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1975	1975	Unch
	Narella	Mill Quality Loose	1880	1900	-20
	Nazafgarh	Mill Quality Loose	1882	1890	-8
Gujarat	Rajkot	Mill Delivery	1900	1900	Unch
	Ahmedabad	Mill Delivery	2060	2060	Unch
	Surat	Mill Delivery	2090	2090	Unch
	Dhrol	Mill Quality Loose	2000	1970	30
M.P.	Indore	Mill Delivery	1975	1950	25
	Bhopal	Mill Quality Loose	1975	1950	25
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	1935	15
U.P.	Kanpur	Mill Delivery	1860	1860	Unch
	Mathura	Mill Quality Loose	1790	1790	Unch
	Kosi	Mill Quality Loose	1775	1775	Unch
	Hathras	Mill Quality Loose	Closed	1785	-
	Aligarh	Mill Quality Loose	1780	1790	-10
Punjab	Khanna	Mill Quality Loose	1850	1840	10
	Ludhiana (Jagraon)	Mill Delivery	Closed	NA	-
Haryana	Sirsa	Mill Delivery loose	1830	1830	Unch
	Hodal	Mill Delivery	1940	1940	Unch

	Bhiwani	Mill Quality Loose	1850	1850	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2340	2350	-10
	Madurai	Mill Quality	2397	2407	-10
	Coimbatore	Mill Quality	2397	2407	-10
Bihar	Khagariya	Mill Delivery	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1835	1835	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Aug-18	24-Aug-18	
Gujarat	Rajkot	Lokwan	2100	2050	50
M.P.	Indore	Lokwan	2400	2425	-25
	Bhopal	Lokwan	2200	2100	100
	Bina	Sarbati 306	3000	3000	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1950	1950	Unch

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Aug-18	24-Aug-18	
Delhi	Lawrence Road	Mill Delivery	7000	9000	-2000
	Narella	Mill Quality Loose	300	NA	-
	Nazafgarh	Mill Quality Loose	300	100	200
Gujarat	Rajkot	Mill Quality Loose	800	1200	-400
	Dhrol	Mill Quality Loose	18	26	-8
M.P.	Indore	Mill Quality Loose	4000	2500	1500
Rajasthan	Kota	Mill Quality	2000	1500	500
U.P.	Kanpur	Mill Quality Loose	300	600	-300
	Mathura	Mill Quality Loose	600	600	Unch
	Kosi	Mill Quality Loose	300	500	-200
	Hathras	Mill Quality Loose	Closed	150	-
	Aligarh	Mill Quality Loose	700	600	100
Punjab	Khanna	Mill Quality Loose	700	1000	-300
	(Ludhiana)Jagraon	Mill Quality Loose	Closed	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	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	25-Aug-18	24-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: 24.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	522.00	522.00	513.00	514.75	-7.25
18-Dec	541.75	541.75	535.00	536.50	-5.25
19-Mar	564.25	564.25	558.25	559.50	-5.00
19-May	575.50	575.50	569.75	571.50	-4.75
19-Jul	568.75	569.75	564.75	566.25	-4.50
19-Sep	574.75	576.00	572.25	573.50	-4.25

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