

**Wheat Domestic Fundamentals:**

**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 2315-2325 per quintal and Ukrainian wheat is Rs 2110-2120 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.

**FCI will offer a total quantity 1854850 tonnes of wheat** in different states through e-auction on 30th August 2018 at a reserve price of Rs 1900 per quintal.

**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 July-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. As of now there is no import parity.

**As per trade source, India has exported around 0.72 thousand tonnes in the month of July compared to 2.17 thousand tonnes in June.** The quantity in July was exported at an average FOB of \$ 565.92 per tonne and the major destinations were Somalia, Sri Lanka, Nepal, UAE, Malaysia, Kuwait and Saudi Arabia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

**All India weekly average prices decreased 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.

**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.

**Previous Updates:**

**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.

**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: 28.08.2018 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	3	1988	1994	1988	1994	930	540	3300	-90
18-Oct	3	1995	1995	1995	1995	10	-60	600	0
18-Nov	0	1993	1993	1993	1993	0	0	0	0

Spread	Sep-18	Oct-18	Nov-18	
Spot Narela				
18-Sep	124			
18-Oct		1		
18-Nov			-2	

Stocks	Demat	In- Process	Total	EDD
	27.Aug.18	27.Aug.18	27.Aug.18	27.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6712	0	6712	6712
Baran	30	0	30	30

## Wheat Daily Prices and Arrivals on 28.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Aug-18	27-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1975	5
	Narella	Mill Quality Loose	1870	1875	-5
	Nazafgarh	Mill Quality Loose	1890	1890	Unch
Gujarat	Rajkot	Mill Delivery	1890	1910	-20
	Ahmedabad	Mill Delivery	2065	2065	Unch
	Surat	Mill Delivery	2100	2100	Unch
	Dhrol	Mill Quality Loose	1975	2025	-50
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1830	1830	Unch
	Mathura	Mill Quality Loose	1770	1800	-30
	Kosi	Mill Quality Loose	1780	1785	-5
	Hathras	Mill Quality Loose	1785	Closed	-
	Aligarh	Mill Quality Loose	1780	1790	-10
Punjab	Khanna	Mill Quality Loose	1850	1870	-20
	Ludhiana (Jagraon)	Mill Delivery	Closed	Closed	-
Haryana	Sirsa	Mill Delivery loose	1830	1830	Unch
	Hodal	Mill Delivery	1940	1940	Unch

	Bhiwani	Mill Quality Loose	1850	1860	<b>-10</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2325	2325	<b>Unch</b>
	Madurai	Mill Quality	2382	2382	<b>Unch</b>
	Coimbatore	Mill Quality	2382	2382	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1700	1700	<b>Unch</b>
	Muzaffarpur	Mill Delivery	1800	1800	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-Aug-18	27-Aug-18	
<b>Gujarat</b>	Rajkot	Lokwan	2050	2100	<b>-50</b>
<b>M.P.</b>	Indore	Lokwan	2400	2400	<b>Unch</b>
	Bhopal	Lokwan	2150	2150	<b>Unch</b>
	Bina	Sarbati 306	2850	Closed	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2100	2100	<b>Unch</b>
	Baran	Lokwan	1950	1950	<b>Unch</b>

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-Aug-18	27-Aug-18	
<b>Delhi</b>	Lawrence Road	Mill Delivery	7500	6000	<b>1500</b>
	Narella	Mill Quality Loose	125	300	<b>-175</b>
	Nazafgarh	Mill Quality Loose	NA	100	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	600	1000	<b>-400</b>
	Dhrol	Mill Quality Loose	18	37	<b>-19</b>
<b>M.P.</b>	Indore	Mill Quality Loose	2500	2500	<b>Unch</b>
<b>Rajasthan</b>	Kota	Mill Quality	1800	800	<b>1000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	600	500	<b>100</b>
	Mathura	Mill Quality Loose	250	700	<b>-450</b>
	Kosi	Mill Quality Loose	200	175	<b>25</b>
	Hathras	Mill Quality Loose	NA	Closed	-
	Aligarh	Mill Quality Loose	500	600	<b>-100</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	600	400	<b>200</b>
	(Ludhiana)Jagraon	Mill Quality Loose	Closed	Closed	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	<b>Unch</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	600	500	<b>100</b>

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

Wheat Products Delhi	28-Aug-18	27-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: 27.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	513.75	513.75	499.00	499.25	-15.50
18-Dec	536.00	536.00	521.75	522.50	-14.00
19-Mar	558.00	558.25	545.75	546.25	-13.25
19-May	569.75	569.75	558.00	558.75	-12.75
19-Jul	564.50	565.00	553.50	554.50	-11.75
19-Sep	571.75	571.75	562.00	562.25	-11.25

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