

Wheat Domestic Fundamentals:

As per fourth advance estimate, wheat production has been pegged at 99.70 MMT compared to 98.61 MMT in its third advance estimate issued in the month of May-2018. Total food grain output is expected to be around 284.43 MMT compared to 279.51 MMT in earlier estimate.

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 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.

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.

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:

Russian milling wheat prices became weak by \$4-5 per tonne at Novorossiysk and \$4-5 per tonne at Odessa compared to last week. Weak demand in international market kept prices 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 \$220.00-226.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$220.00-226.00/tonne.

Egypt has purchased 350000 tonnes of Russian and Ukrainian wheat through tender. Of the total quantity 60000 tonnes was Ukrainian wheat and remaining was Russian wheat. Louis Dreyfus offered 60000 tonnes of Ukrainian wheat at FOB \$223.50/tonne, Glencore offered two cargoes (Russian wheat) each of 55000 tonnes at an FOB of \$221.51/tonne and \$223.51/tonne, Garant offered 60000 tonnes of Russian wheat at FOB \$225.90/tonne, GTSC offered two cargoes (Russian wheat) each of 60000 tonnes at an FOB of \$225.50/tonne. The said quantities are to be delivered during 11-20 October-2018. In its previous tender on 14th August 2018, Egypt has bought 420000 tonnes of wheat from Russia and Romania.

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.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 30.08.2018 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	+5	1993	2000	1990	2000	620	+490	3520	+300
18-Oct	0	2001	2001	2000	2001	0	-30	590	0
18-Nov	0	2007	2007	2007	2007	0	0	0	0

Spread	Sep-18	Oct-18	Nov-18	
Spot Narela				
18-Sep	130			
18-Oct		1		
18-Nov			6	

Stocks	Demat	In- Process	Total	EDD
	29.Aug.18	29.Aug.18	29.Aug.18	27.Aug.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6712	0	6712	6712
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 30.08.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Aug-18	29-Aug-18	
Delhi	Lawrence Road	Mill Delivery	1980	1980	Unch
	Narella	Mill Quality Loose	1870	Closed	-
	Nazafgarh	Mill Quality Loose	1890	Closed	-
Gujarat	Rajkot	Mill Delivery	1900	1915	-15
	Ahmedabad	Mill Delivery	2060	2070	-10
	Surat	Mill Delivery	2100	2100	Unch
	Dhrol	Mill Quality Loose	1850	2025	-175
M.P.	Indore	Mill Delivery	1975	1975	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1815	1815	Unch
	Mathura	Mill Quality Loose	1780	1775	5
	Kosi	Mill Quality Loose	1780	1785	-5
	Hathras	Mill Quality Loose	1790	1775	15
	Aligarh	Mill Quality Loose	1790	Closed	-
Punjab	Khanna	Mill Quality Loose	1840	1860	-20
	Ludhiana (Jagraon)	Mill Delivery	Closed	Closed	-
Haryana	Sirsa	Mill Delivery loose	1825	1825	Unch
	Hodal	Mill Delivery	1940	1940	Unch

	Bhiwani	Mill Quality Loose	1855	1850	5
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2330	2325	5
	Madurai	Mill Quality	2387	2382	5
	Coimbatore	Mill Quality	2387	2382	5
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Aug-18	29-Aug-18	
Gujarat	Rajkot	Lokwan	2100	2050	50
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2150	2150	Unch
	Bina	Sarbati 306	2800	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1990	1950	40

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Aug-18	29-Aug-18	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	250	Closed	-
	Nazafgarh	Mill Quality Loose	70	Closed	-
Gujarat	Rajkot	Mill Quality Loose	700	400	300
	Dhrol	Mill Quality Loose	20	47	-27
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	1700	2000	-300
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	500	600	-100
	Kosi	Mill Quality Loose	500	200	300
	Hathras	Mill Quality Loose	30	60	-30
	Aligarh	Mill Quality Loose	600	Closed	-
Punjab	Khanna	Mill Quality Loose	700	500	200
	(Ludhiana)Jagraon	Mill Quality Loose	Closed	Closed	-
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	30-Aug-18	29-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: 29.08.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	498.00	520.00	496.00	515.75	17.50
18-Dec	523.00	545.00	521.25	541.75	18.50
19-Mar	545.25	565.00	543.50	562.50	16.75
19-May	557.75	576.25	556.50	574.75	16.25
19-Jul	554.50	569.50	550.50	567.75	13.50
19-Sep	559.25	575.75	558.25	574.25	13.00

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