

Wheat Domestic Fundamentals:

As per latest update, wheat stock in central pool as on 1st September'18 stood at 385.09 lakh tonnes down by 5.05% compared to last month. This quantity is higher by around 38.44% 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 September'18 is highest in last five years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

FCI will offer a total quantity 2103900 tonnes of wheat in different states through e-auction on 14th September 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 Ukrainian wheat is Rs 2150-2160 per quintal. Australian Standard Wheat (ASW) and 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 increased by 1.60 percent to Rs. 1994.88 per quintal during the week ended 08th September 2018. Wheat average price were ruling at Rs 1963.48 per quintal during 24-31 August 2018. As compared to prices in the week 01-08 September 2017, the prices are firm by 0.72 percent. Prices are expected to remain firm in coming days due to good domestic demand.

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.

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.

Previous Updates:

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.

International Market Update:

Russian milling wheat prices became weak by \$5 per tonne at Novorossiysk and \$4-5 per tonne at Odessa compared to last week. Russia doesn't have any plan to curb export of grains as of now. Furthermore, importers are expecting prices to ease down a little more. 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 \$215.00-221.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$216.00-221.00/tonne.

The Russian agriculture ministry has made it clear that it doesn't have any plan to curb export of grains as of now. This has led the grains market to ease a little bit. However, Russia has imposed complete export bans and duties in past years.

As per latest update, Japan's ministry of agriculture bought 107965 MT of food quality wheat from United States and Canada. Around 54412 MT has been bought from United States and 53553 MT of western red spring has been bought from Canada. Shipments from United States and Canada will be loaded between Oct 21 and Nov 20, 2018.

Egypt has purchased 60000 tonnes of Russian wheat through tender. Garant offered 60000 tonnes of Russian wheat at FOB \$217.90/tonne. The said quantities are to be delivered during 21-30 October-2018. In its previous tender on 28th August 2018, Egypt has bought 350000 tonnes of wheat from Russia and Ukraine.

Jordan has bought 60000 tonnes of hard milling wheat at \$257 per tonne cost and freight for delivery in first half of November. The tender closed on Wednesday and wheat can be sourced from optional origin. The seller was trading house Ameropa. Two other companies, CHS and Agro Chirnogi offered wheat at \$265.27 per tonne and \$263 per tonne respectively.

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

Wheat Futures Contact: NCDEX Price							Date: 12.09.2018 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	+33	2007	2040	2007	2040	210	+60	380	-640
18-Oct	+9	2031	2040	2031	2040	180	-180	2600	+20
18-Nov	0	2055	2055	2055	2055	0	0	0	0

Spread	Sep-18	Oct-18	Nov-18	
Spot Narela				
18-Sep	170			
18-Oct		0		
18-Nov			15	

Stocks	Demat	In- Process	Total	EDD
	11.Sep.18	11.Sep.18	11.Sep.18	10.Sep.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6063	380	6443	6712
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 12.09.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Sep-18	11-Sep-18	
Delhi	Lawrence Road	Mill Delivery	2020	2020	Unch
	Narella	Mill Quality Loose	Closed	1870	-
	Nazafgarh	Mill Quality Loose	Closed	1925	-
Gujarat	Rajkot	Mill Delivery	1965	1965	Unch
	Ahmedabad	Mill Delivery	2150	2120	30
	Surat	Mill Delivery	2175	2150	25
	Dhrol	Mill Quality Loose	2085	2045	40
M.P.	Indore	Mill Delivery	2000	Closed	-
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1880	1910	-30
		Mill Delivery	1980	2020	-40
U.P.	Kanpur	Mill Delivery	1835	1820	15
	Mathura	Mill Quality Loose	1825	1845	-20
	Kosi	Mill Quality Loose	1830	1825	5
	Hathras	Mill Quality Loose	1880	1880	Unch
	Aligarh	Mill Quality Loose	Closed	1840	-
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	2000	1940	60



	Bhiwani	Mill Quality Loose	1880	1870	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2330	-30
	Madurai	Mill Quality	2357	2387	-30
	Coimbatore	Mill Quality	2357	2387	-30
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1900	1860	40
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Sep-18	11-Sep-18	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	Closed	-
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	Closed	2925	-
Rajasthan	Kota	Lokwan Bilty	2150	2160	-10
	Baran	Lokwan	2000	2000	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Sep-18	11-Sep-18	
Delhi	Lawrence Road	Mill Delivery	6000	6500	-500
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	67	49	18
M.P.	Indore	Mill Quality Loose	4000	Closed	-
Rajasthan	Kota	Mill Quality	2000	1600	400
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	600	300	300
	Kosi	Mill Quality Loose	300	500	-200
	Hathras	Mill Quality Loose	100	300	-200
	Aligarh	Mill Quality Loose	Closed	300	-
Punjab	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	700	600	100

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

Wheat Products Delhi	12-Sep-18	11-Sep-18	Change
Atta (50kg) Ordinary	1100	1050	50
Maida Grade 1 (50KG)	1175	1150	25
Suji (50kg)	1225	1200	25
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1150	1100	50
Chakki Atta (50kg) Special	1175	1125	50
Chakki Atta (90kg) Superfine	2135	2045	90
Chakki Atta (50kg) Superfine	1185	1135	50

Wheat (CBOT) Future Price: 11.09.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	497.25	497.25	493.75	493.75	-10.25
18-Dec	528.50	532.75	517.25	518.75	-9.50
19-Mar	547.00	551.25	536.00	537.75	-9.00
19-May	560.50	564.50	549.75	551.50	-8.75
19-Jul	559.75	564.00	550.50	552.50	-8.00
19-Sep	570.50	572.75	561.00	563.25	-7.25

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