

Wheat Domestic Fundamentals:

Markets remained closed due to Ganesh Chaturthi.

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:

As per ABARES, Australia is expected to produce 19.1 MMT of wheat in 2018-19 due to unfavourable weather conditions. Australia exports around two-third of its total production. Due to fall in production, Asian flour mills may seek wheat from Argentina in coming months. Argentina has quoted \$275 per tonne including cost and freight for Asia compared to \$290 per tonne from Australia.

Russian milling wheat prices became weak by \$1 per tonne at Novorossiysk and \$2-3 per tonne at Odessa compared to last week. Russia doesn't have any plan to curb export of grains as of now. Furthermore, trading activity is low. 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 \$214.00-220.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$214.00-218.00/tonne.

Egypt has purchased 235000 tonnes of Russian wheat through tender. Daewoo offered 55000 tonnes and 60000 tonnes of Russian wheat at FOB \$222.60/tonne and FOB \$240.38/tonne respectively, Alegrow offered 60000 tonnes of Russian wheat at FOB \$223.23/tonne and Aston offered 60000 tonnes of Russian wheat at FOB \$223.23/tonne. The said quantities are to be delivered during October 25 and November 04. In its previous tender on 05th September 2018, Egypt has bought 60000 tonnes of wheat from Russia.

Algeria state grains agency OAIC has bought around 630000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid were in the range of \$262.00 - \$263.00 per tonne (Cost and Freight). The quantity to be shipped is due in November. Most of the quantity is expected to be sourced from France and Algeria.

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

Wheat Futures Contract: 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	+28	2007	2040	2007	2035	210	+60	380	-640
18-Oct	+6	2031	2040	2031	2037	180	-180	2600	+20
18-Nov	-16	2055	2055	2055	2039	0	0	0	0

Spread	Sep-18	Oct-18	Nov-18	
Spot Narela				
18-Sep	165			
18-Oct		2		
18-Nov			2	

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 13.09.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Sep-18	12-Sep-18	
Delhi	Lawrence Road	Mill Delivery	2025	2020	5
	Narella	Mill Quality Loose	1875	Closed	-
	Nazafgarh	Mill Quality Loose	1925	Closed	-
Gujarat	Rajkot	Mill Delivery	1965	1965	Unch
	Ahmedabad	Mill Delivery	2160	2150	10
	Surat	Mill Delivery	2180	2175	5
	Dhrol	Mill Quality Loose	2130	2085	45
M.P.	Indore	Mill Delivery	Closed	2000	-
	Bhopal	Mill Quality Loose	Closed	1950	-
Rajasthan	Kota	Mill Quality Loose	Closed	1880	-
		Mill Delivery	Closed	1980	-
U.P.	Kanpur	Mill Delivery	Closed	1835	-
	Mathura	Mill Quality Loose	1860	1825	35
	Kosi	Mill Quality Loose	1840	1830	10
	Hathras	Mill Quality Loose	NR	1880	-
	Aligarh	Mill Quality Loose	1850	Closed	-
Punjab	Khanna	Mill Quality Loose	1840	1850	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1830	1830	Unch
	Hodal	Mill Delivery	2030	2000	30

	Bhiwani	Mill Quality Loose	1900	1880	20
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	2300	-
	Madurai	Mill Quality	Closed	2357	-
	Coimbatore	Mill Quality	Closed	2357	-
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1900	1900	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Sep-18	12-Sep-18	
Delhi	Lawrence Road	Mill Delivery	8000	6000	2000
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1000	800	200
	Dhrol	Mill Quality Loose	24	67	-43
M.P.	Indore	Mill Quality Loose	Closed	4000	-
Rajasthan	Kota	Mill Quality	Closed	2000	-
U.P.	Kanpur	Mill Quality Loose	Closed	500	-
	Mathura	Mill Quality Loose	500	600	-100
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	NR	100	-
	Aligarh	Mill Quality Loose	150	Closed	-
Punjab	Khanna	Mill Quality Loose	500	400	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	800	700	100

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

Wheat Products Delhi	13-Sep-18	12-Sep-18	Change
Atta (50kg) Ordinary	1100	1100	Unch
Maida Grade 1 (50KG)	1175	1175	Unch
Suji (50kg)	1225	1225	Unch
Chokar (50 kg)	900	900	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1150	1150	Unch
Chakki Atta (50kg) Special	1175	1175	Unch
Chakki Atta (90kg) Superfine	2135	2135	Unch
Chakki Atta (50kg) Superfine	1185	1185	Unch

Wheat (CBOT) Future Price: 12.09.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	500.50	503.50	478.00	481.75	-12.00
18-Dec	519.00	529.25	500.25	506.75	-12.00
19-Mar	537.25	547.50	520.50	527.00	-10.75
19-May	551.75	560.25	534.75	541.50	-10.00
19-Jul	553.50	558.50	536.75	545.00	-7.50
19-Sep	564.25	568.75	548.25	555.25	-8.00

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