

Wheat Domestic Fundamentals:

Wheat WPI has increased from 144.9 in July-2018 to 148.6 in August-2018. Monthly wheat inflation has increased by 2.55 percent in August -2018 compared to previous month. As compared to August-2017 wheat WPI has increased by around 8.39 percent. Wheat WPI is expected to stay steady to slightly firm in coming months.

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.

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.

Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
18-Sep	+25	2035	2060	2050	2060	20	-190	380	0
18-Oct	+17	2042	2058	2042	2054	430	+250	2790	+190
18-Nov	0	2039	2039	2039	2039	0	0	0	0

Spread	Sep-18	Oct-18	Nov-18	
Spot Narela				
18-Sep	185			
18-Oct		-6		
18-Nov			-15	

Stocks	Demat	In- Process	Total	EDD
	13.Sep.18	13.Sep.18	13.Sep.18	10.Sep.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6443	137	6580	9712
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 15.09.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Sep-18	14-Sep-18	
Delhi	Lawrence Road	Mill Delivery	2035	2035	Unch
	Narella	Mill Quality Loose	1880	1875	5
	Nazafgarh	Mill Quality Loose	1935	1930	5
Gujarat	Rajkot	Mill Delivery	1975	1970	5
	Ahmedabad	Mill Delivery	2140	2120	20
	Surat	Mill Delivery	2170	2160	10
	Dhrol	Mill Quality Loose	1995	1975	20
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1920	1920	Unch
		Mill Delivery	2020	2020	Unch
U.P.	Kanpur	Mill Delivery	1850	1845	5
	Mathura	Mill Quality Loose	1850	1850	Unch
	Kosi	Mill Quality Loose	1850	1830	20
	Hathras	Mill Quality Loose	1890	1885	5
	Aligarh	Mill Quality Loose	1850	1840	10
Punjab	Khanna	Mill Quality Loose	1850	1850	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1845	1840	5
	Hodal	Mill Delivery	2030	2030	Unch

	Bhiwani	Mill Quality Loose	1900	1900	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2350	Unch
	Madurai	Mill Quality	2407	2407	Unch
	Coimbatore	Mill Quality	2407	2407	Unch
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
			15-Sep-18	14-Sep-18	
Gujarat	Rajkot	Lokwan	2200	2150	50
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	2925	2925	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	2000	2050	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Sep-18	14-Sep-18	
Delhi	Lawrence Road	Mill Delivery	5000	5000	Unch
	Narella	Mill Quality Loose	400	350	50
	Nazafgarh	Mill Quality Loose	200	500	-300
Gujarat	Rajkot	Mill Quality Loose	500	800	-300
	Dhrol	Mill Quality Loose	34	37	-3
M.P.	Indore	Mill Quality Loose	5000	4000	1000
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	300	400	-100
	Kosi	Mill Quality Loose	500	200	300
	Hathras	Mill Quality Loose	200	250	-50
	Aligarh	Mill Quality Loose	300	250	50
Punjab	Khanna	Mill Quality Loose	NA	700	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	1500	1500	Unch

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

Wheat Products Delhi	15-Sep-18	14-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: 14.09.2018					
Contract Month	Open	High	Low	Close	Change
18-Sep	473.00	473.00	471.75	471.75	-10.00
18-Dec	505.00	510.00	495.25	497.00	-9.75
19-Mar	525.75	530.00	516.50	517.75	-9.25
19-May	540.25	544.75	532.25	533.25	-8.25
19-Jul	544.75	547.75	536.50	538.25	-6.75
19-Sep	553.75	557.50	547.75	549.25	-6.00

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