

Wheat Domestic Fundamentals:

As per trade source, India has exported around 1.90 thousand tonnes in the month of August compared to 0.72 thousand tonnes in July. The quantity in July was exported at an average FOB of \$ 420.97 per tonne and the major destinations were South Africa, Sri Lanka, UAE, Malaysia, Congo and Bahrain. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

FCI will offer a total quantity 1860050 tonnes of wheat in different states through e-auction on 21st 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 2170-2180 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 2.99 percent to Rs. 2054.52 per quintal during the week ended 15th September 2018. Wheat average price were ruling at Rs 1994.88 per quintal during 01-08 September 2018. As compared to prices in the week 09-15 September 2017, the prices are weak by 12.31 percent. Prices are expected to remain firm in coming days due to good domestic demand.

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, 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 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.

International Market Update:

Egypt's state grains buyer, GASC has purchased 180000 tonnes of wheat for shipment during 01-10 November and 295000 tonnes of wheat for shipment during 11-20 November. Of the total quantity 415000 tonnes was Russian wheat and remaining was Ukrainian wheat. In its previous tender on 12th September 2018, Egypt has bought 235000 tonnes of wheat from Russia.

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.

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 Contact: NCDEX Price							Date: 19.09.2018 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-Oct	+1	2054	2058	2047	2055	160	+90	2740	0
18-Nov	0	2058	2058	2058	2058	0	0	0	0
18-Dec	0	2062	2062	2062	2062	0	0	0	0

Spread	Oct-18	Nov-18	Dec-18	
Spot Narela				
18-Oct	185			
18-Nov		3		
18-Dec			4	

Stocks	Demat	In- Process	Total	EDD
	18.Sep.18	18.Sep.18	18.Sep.18	17.Sep.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6778	0	6778	6579
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 20.09.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Sep-18	19-Sep-18	
Delhi	Lawrence Road	Mill Delivery	2040	2035	5
	Narella	Mill Quality Loose	1870	Closed	-
	Nazafgarh	Mill Quality Loose	1940	Closed	-
Gujarat	Rajkot	Mill Delivery	1950	1970	-20
	Ahmedabad	Mill Delivery	2110	2140	-30
	Surat	Mill Delivery	2150	2170	-20
	Dhrol	Mill Quality Loose	1955	2005	-50
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	NR	NR	-
Rajasthan	Kota	Mill Quality Loose	1920	1920	Unch
		Mill Delivery	2050	2050	Unch
U.P.	Kanpur	Mill Delivery	1920	1900	20
	Mathura	Mill Quality Loose	1860	1855	5
	Kosi	Mill Quality Loose	1860	1865	-5
	Hathras	Mill Quality Loose	1890	1890	Unch
	Aligarh	Mill Quality Loose	1850	Closed	-
Punjab	Khanna	Mill Quality Loose	1860	1900	-40
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1845	-5
	Hodal	Mill Delivery	2030	2030	Unch

	Bhiwani	Mill Quality Loose	1920	1925	-5
	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	1925	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Sep-18	19-Sep-18	
Gujarat	Rajkot	Lokwan	2125	2150	-25
M.P.	Indore	Lokwan	2500	2500	Unch
	Bhopal	Lokwan	NR	NR	-
	Bina	Sarbati 306	2925	2950	-25
Rajasthan	Kota	Lokwan Bilty	2150	1950	200
	Baran	Lokwan	Closed	1960	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Sep-18	19-Sep-18	
Delhi	Lawrence Road	Mill Delivery	7500	8000	-500
	Narella	Mill Quality Loose	250	Closed	-
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	600	Unch
	Dhrol	Mill Quality Loose	6	27	-21
M.P.	Indore	Mill Quality Loose	2000	2500	-500
Rajasthan	Kota	Mill Quality	2500	4000	-1500
U.P.	Kanpur	Mill Quality Loose	500	600	-100
	Mathura	Mill Quality Loose	400	300	100
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	300	Closed	-
Punjab	Khanna	Mill Quality Loose	700	700	Unch
	(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	400	200	200

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

Wheat Products Delhi	20-Sep-18	19-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: 19.09.2018					
Contract Month	Open	High	Low	Close	Change
18-Dec	511.00	523.25	510.50	522.50	12.00
19-Mar	530.00	541.75	529.75	540.25	11.25
19-May	542.50	553.75	542.50	551.75	10.25
19-Jul	549.50	557.00	549.25	555.00	8.50
19-Sep	558.75	565.75	558.75	564.75	9.00
19-Dec	573.25	579.50	572.50	578.50	8.50

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