

Wheat Domestic Fundamentals:

All India weekly average prices increased by 0.57 percent to Rs. 2034.91 per quintal during the week ended 08th June 2019. Wheat average price were ruling at Rs 2023.41 per quintal during 24-31 May 2019. As compared to prices in the week 01-08 June 2018, the prices are firm by 5.75 percent. Prices are expected to remain steady to slightly in coming days due to hike in import duty and likely increase in demand in upcoming weeks.

Wheat procurement in Uttar Pradesh has been hit as traders/millers are directly buying from farmers at much lower rate compared to reserve price of Rs 2080 per quintal. Wheat procurement is likely to end in upcoming weeks and against a target of 5.5 MMT in Uttar Pradesh government has procured 3.4 MMT. However Wheat market is expected to trade steady to slightly firm due to increase in import duty and a likely increase in demand in upcoming weeks. Availability in domestic market is sufficient to meet domestic demand.

Government agencies have started procurement. Until 07th June'19 government has procured around 338.21 lakh tonnes of wheat. Of the total quantity procured, around 129.12 lakh tonnes have been procured from Punjab, 93.20 lakh tonnes from Haryana, 34.62 lakh tonnes from Uttar Pradesh, 67.25 lakh tonnes from Madhya Pradesh, 0.02 lakh tonnes from Bihar, 13.40 lakh tonnes from Rajasthan, 0.42 lakh tonnes from Uttarakhand, 0.12 lakh tonnes from Chandigarh, 0.05 lakh tonnes from Gujarat and 0.01 lakh tonnes from Himachal Pradesh. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

Wheat market is expected to trade steady to slightly firm due to increase in import duty and a likely increase in demand in upcoming weeks. Increase in import duty is likely to put a complete halt on imports in MY 2019-20. Availability in domestic market is sufficient to meet domestic demand.

India mainly imports wheat from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality. As of now, Australian standard wheat (ASW) and Australian premium wheat (APW) is being quoted at \$342.09 (Rs 23751.31) per tonne and \$346.92 (Rs 24086.66) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 23000 per tonne and Rs 23500 per tonne respectively.

The government is set to provide additional food grains under NFSA to ease the stock position. Under NFSA 5 kg of food grains are provided to people living below poverty line at a subsidized rate of Rs 1, Rs 2 and Rs 3 per kg for Coarse grains, rice and wheat respectively. The union cabinet may decide to provide an additional 2kg of food grains to every NFSA beneficiary. This move will result in reduction of carrying cost for various food grains with the government.

As per trade sources, after increase in import duty to 40 percent imports have decreased substantially. India has imported 498.77 MT of Australia prime hard wheat at Tuticorin port in the month of April-19. Imports are expected to be low this year due to good domestic availability and increase in import duty. Prior to this, India has imported around 1000 tonnes in the month of September-2018.

As per trade source, India has exported around 5.57 thousand tonnes in the month of April-2019. The quantity in April-2019 was exported at an average FOB of \$ 388.15 per tonne and the major destinations were Nepal, UAE and Sri Lanka. 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 latest update, Japan's ministry of agriculture bought 77042 MT of food quality wheat from United States and Australia. Around 58157 MT has been bought from United States and 18885 MT of standard white wheat has been bought from west Australia. Shipments from United States and Australia will be loaded between Aug 01 and Aug 31, 2019.

As per latest update, hot and dry weather is likely to continue at Australia's east coast and there is only 30 percent chance of rainfall between June 01 and August 30. Furthermore, there is 70 percent probability that entire Australia will experience warmer than average temperatures. Private analyst are expecting wheat production to be around 18 MMT in 2019-20. Australia has already agreed to import 50000-60000 MT of wheat from Canada in upcoming weeks. In case of third consecutive lower production, Australia may be seen importing more wheat.

Russian wheat prices increased by \$2 per tonne in the past week. The firmness in prices was mainly due to increase in global benchmark such as CBOT. Wheat with 12.5 percent protein was quoted at FoB \$188 per tonne. Russia will start harvesting its winter wheat crop in late June or early July.

Major feed mill group of South Korea has purchased around 120000 tonnes of feed wheat in two consignments of 60000 tonnes each. One consignment was bought at \$207.90/tonne C&F schedule to arrive around September 30th and other at \$208.95/tonne C&F scheduled to arrive around November 30th. Feed wheat can be sourced from Black sea region.

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

Wheat Futures Contact: NCDEX Price							Date:07.06.2019 at 5:00 PM		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Jun	2	1952	1965	1952	1958	1520	-190	8820	-140
19-Jul	1	1984	1990	1983	1987	580	-900	6910	310
19-Aug	6	2016	2022	2021	2022	20	20	30	10

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	18		
19-Jul		29	
19-Aug			35

Stocks	Demat	In-Process	Total	EDD
	07.Jun.19	07.Jun.19	07.Jun.19	03.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	30074	299	30373	28669
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 08.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Jun-19	7-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2000	1990	10
	Narella	Mill Quality Loose	1940	1940	Unch
	Nazafgarh	Mill Quality Loose	1900	1865	35
Gujarat	Rajkot	Mill Delivery	1970	1975	-5
	Ahmedabad	Mill Delivery	2060	2050	10
	Surat	Mill Delivery	2100	2100	Unch
	Dhrol	Mill Quality Loose	NR	2170	-
M.P.	Indore	Mill Delivery	2000	1990	10
	Bhopal	Mill Quality Loose	1825	1825	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1900	-50
		Mill Delivery	2025	2075	-50
U.P.	Kanpur	Mill Delivery	1900	1900	Unch
	Mathura	Mill Quality Loose	1790	1785	5
	Kosi	Mill Quality Loose	1900	1900	Unch
	Hathras	Mill Quality Loose	1880	1960	-80
	Aligarh	Mill Quality Loose	1820	1825	-5
Punjab	Khanna	Mill Quality Loose	1875	1875	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1865	1865	Unch
	Hodal	Mill Delivery	NA	NA	-

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Jun-19	7-Jun-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2400	2300	100
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2700	2700	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2000	100
	Baran	Lokwan	1910	1950	-40

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Jun-19	7-Jun-19	
Delhi	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	1500	1000	500
	Nazafgarh	Mill Quality Loose	70	70	Unch
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	NR	33	-
M.P.	Indore	Mill Quality Loose	8000	12000	-4000
Rajasthan	Kota	Mill Quality	20000	20000	Unch
U.P.	Kanpur	Mill Quality Loose	4500	5000	-500
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	100	500	-400
	Hathras	Mill Quality Loose	550	600	-50
	Aligarh	Mill Quality Loose	2000	4000	-2000
Punjab	Khanna	Mill Quality Loose	3000	2000	1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	100	200	-100
	Bhiwani	Mill Quality Loose	300	200	100

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

Wheat Products Delhi	8-Jun-19	7-Jun-19	Change
Atta (50kg) Ordinary	1055	1050	5
Maida Grade 1 (50KG)	1295	1225	70
Suji (50kg)	1210	1200	10
Chokar (50 kg)	890	850	40
Chokar (34 kg)	605	578	27
Chakki Atta (50kg)	1200	1200	Unch
Chakki Atta (50kg) Special	1225	1225	Unch
Chakki Atta (90kg) Superfine	2230	2270	-40
Chakki Atta (50kg) Superfine	1235	1260	-25

Wheat (CBOT) Future Price: 07.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	511.00	512.75	502.00	504.50	-5.50
19-Sep	514.25	516.50	506.25	509.50	-4.75
19-Dec	526.25	527.75	517.75	522.25	-3.50
20-Mar	536.00	537.75	528.75	534.00	-2.50
20-May	542.75	543.25	534.50	540.75	-1.50
20-Jul	545.50	546.25	537.25	545.25	-0.25

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