

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:10.06.2019 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	-10	1949	1961	1948	1988	2660	1140	9480	660
19-Jul	-10	1980	1985	1976	1977	1680	610	7160	210
19-Aug	0	2022	2022	2021	2022	30	10	00	00

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	8		
19-Jul		29	
19-Aug			55

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 10.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Jun-19	8-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2005	2000	5
	Narella	Mill Quality Loose	1940	1940	Unch
	Nazafgarh	Mill Quality Loose	1900	1900	Unch
Gujarat	Rajkot	Mill Delivery	1970	1970	Unch
	Ahmedabad	Mill Delivery	2065	2060	5
	Surat	Mill Delivery	2100	2100	Unch
	Dhrol	Mill Quality Loose	2090	NR	-
M.P.	Indore	Mill Delivery	1970	2000	-30
	Bhopal	Mill Quality Loose	1825	1825	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	2025	-75
U.P.	Kanpur	Mill Delivery	1900	1900	Unch
	Mathura	Mill Quality Loose	1805	1790	15
	Kosi	Mill Quality Loose	1910	1900	10
	Hathras	Mill Quality Loose	1880	1880	Unch
	Aligarh	Mill Quality Loose	1840	1820	20
Punjab	Khanna	Mill Quality Loose	1890	1875	15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1870	1865	5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1880	1870	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	1850	1800	50
	Muzaffarpur	Mill Delivery	1830	1800	30
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Jun-19	8-Jun-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	2400	-100
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2700	2700	Unch
Rajasthan	Kota	Lokwan Bilty	2050	2100	-50
	Baran	Lokwan	1950	1910	40

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Jun-19	8-Jun-19	
Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality Loose	1500	1500	Unch
	Nazafgarh	Mill Quality Loose	50	70	-20
Gujarat	Rajkot	Mill Quality Loose	1000	800	200
	Dhrol	Mill Quality Loose	27	NR	-
M.P.	Indore	Mill Quality Loose	8000	8000	Unch
Rajasthan	Kota	Mill Quality	15000	20000	-5000
U.P.	Kanpur	Mill Quality Loose	5000	4500	500
	Mathura	Mill Quality Loose	1000	2000	-1000
	Kosi	Mill Quality Loose	400	100	300
	Hathras	Mill Quality Loose	550	550	Unch
	Aligarh	Mill Quality Loose	2500	2000	500
Punjab	Khanna	Mill Quality Loose	4000	3000	1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	500	-200
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	300	100

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

Wheat Products Delhi	10-Jun-19	8-Jun-19	Change
Atta (50kg) Ordinary	1055	1055	Unch
Maida Grade 1 (50KG)	1295	1295	Unch
Suji (50kg)	1210	1210	Unch
Chokar (50 kg)	890	890	Unch
Chokar (34 kg)	605	605	Unch
Chakki Atta (50kg)	1200	1200	Unch
Chakki Atta (50kg) Special	1225	1225	Unch
Chakki Atta (90kg) Superfine	2230	2230	Unch
Chakki Atta (50kg) Superfine	1235	1235	Unch

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

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.