

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:

GASC has purchased 120000 tonnes of Russian and Romanian wheat through tender. Of the total quantity 60000 tonnes has been sourced from Russia and 60000 tonnes has been sourced from Romania. Cofco offered 60000 tonnes of Romanian wheat at FoB \$197.49 per tonne and Aston offered 60000 tonnes of Russian wheat at FoB \$196.90 per tonne.

SovEcon has cut Russia's wheat production forecast for 2019 to 82.2 MMT compared to previous forecast of 82.6 MMT. Production forecast has been reduced due to low soil moisture in several regions in Russia.

As per latest update, ABARES has reduced wheat production forecast for Australia by 11% to 21.2 MMT from its previous forecast of 23.9 MMT. The forecast is lower by 14% compared to 10-year average of 24.7 MMT. 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.

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.

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

Wheat Futures Contact: NCDEX Price							Date:12.06.2019 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	5	1947	1958	1932	1952	4780	4,360	2810	-6,790
19-Jul	2	1978	1980	1975	1980	310	-900	7340	240
19-Aug	0	2005	2005	2005	2005	40	0	60	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	12		
19-Jul		28	
19-Aug			25

Stocks	Demat	In-Process	Total	EDD
	11.Jun.19	11.Jun.19	11.Jun.19	10.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	30623	431	31054	30583
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 12.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Jun-19	11-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2020	2010	10
	Narella	Mill Quality Loose	Closed	1940	-
	Nazafgarh	Mill Quality Loose	Closed	1900	-
Gujarat	Rajkot	Mill Delivery	1960	1970	-10
	Ahmedabad	Mill Delivery	2040	2050	-10
	Surat	Mill Delivery	2080	2100	-20
	Dhrol	Mill Quality Loose	NR	2000	-
M.P.	Indore	Mill Delivery	1965	Closed	-
	Bhopal	Mill Quality Loose	1800	1825	-25
Rajasthan	Kota	Mill Quality Loose	Closed	1850	-
		Mill Delivery	Closed	1950	-
U.P.	Kanpur	Mill Delivery	1900	1900	Unch
	Mathura	Mill Quality Loose	Closed	1825	-
	Kosi	Mill Quality Loose	1850	1925	-75
	Hathras	Mill Quality Loose	1870	1870	Unch
	Aligarh	Mill Quality Loose	Closed	1840	-
Punjab	Khanna	Mill Quality Loose	1875	1890	-15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1875	1870	5
	Hodal	Mill Delivery	NA	NA	-

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Jun-19	11-Jun-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	Closed	-
	Bhopal	Lokwan	1900	1950	-50
	Bina	Sarbati 306	Closed	2700	-
Rajasthan	Kota	Lokwan Bilty	Closed	2050	-
	Baran	Lokwan	1950	1950	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Jun-19	11-Jun-19	
Delhi	Lawrence Road	Mill Delivery	9000	10000	-1000
	Narella	Mill Quality Loose	Closed	1000	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	1000	600	400
	Dhrol	Mill Quality Loose	NR	36	-
M.P.	Indore	Mill Quality Loose	12000	Closed	-
Rajasthan	Kota	Mill Quality	Closed	15000	-
U.P.	Kanpur	Mill Quality Loose	8000	5000	3000
	Mathura	Mill Quality Loose	Closed	1200	-
	Kosi	Mill Quality Loose	400	450	-50
	Hathras	Mill Quality Loose	400	450	-50
	Aligarh	Mill Quality Loose	Closed	2000	-
Punjab	Khanna	Mill Quality Loose	3000	5000	-2000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	400	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	200	200	Unch

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

Wheat Products Delhi	12-Jun-19	11-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: 11.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	504.00	518.75	500.25	518.00	10.50
19-Sep	508.00	522.00	504.00	521.25	9.50
19-Dec	520.00	532.75	516.75	532.00	7.50
20-Mar	532.25	542.75	529.25	542.00	5.50
20-May	537.25	548.00	535.75	546.75	4.25
20-Jul	541.50	550.50	538.50	549.25	3.25

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