

Wheat Domestic Fundamentals:

Wheat prices remained firm in past days due to hike in import duty, low arrivals and good demand in domestic market. Ample stock is available in the domestic market to meet demand. Furthermore, government will sell at a reserve price of Rs 2080 per quintal during the first quarter in open market. Prices are expected to remain steady to firm in coming weeks.

As per market sources, wheat stock in central pool as on 1st June'19 stood at 465.60 lakh tonnes up by 40.41% compared to last month. This quantity is higher by around 6.41% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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.

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:13.06.2019 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 | 0 | 1950 | 1950 | 1950 | 1950 | 10 | -4,770 | 400 | -2,410 |
| 19-Jul | -4 | 1979 | 1978 | 1975 | 1975 | 330 | +20 | 7600 | +260 |
| 19-Aug | -9 | 2008 | 1999 | 1999 | 1999 | 20 | -20 | 60 | 0 |

| Spread | June-19 | July-19 | Aug-19 |
|--------------|---------|---------|--------|
| Spot Narella | | | |
| 19-Jun | 10 | | |
| 19-Jul | | 25 | |
| 19-Aug | | | 24 |

| Stocks | Demat | In-Process | Total | EDD |
|--------|-----------|------------|-----------|-----------|
| | 12.Jun.19 | 12.Jun.19 | 12.Jun.19 | 10.Jun.19 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 30662 | 421 | 31083 | 30583 |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 13.06.2019

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 13-Jun-19 | 12-Jun-19 | |
| Delhi | Lawrence Road | Mill Delivery | 2015 | 2020 | -5 |
| | Narella | Mill Quality Loose | 1940 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 1900 | Closed | - |
| Gujarat | Rajkot | Mill Delivery | Closed | 1960 | - |
| | Ahmedabad | Mill Delivery | Closed | 2040 | - |
| | Surat | Mill Delivery | Closed | 2080 | - |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Delivery | 1965 | 1965 | Unch |
| | Bhopal | Mill Quality Loose | 1800 | 1800 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1840 | Closed | - |
| | | Mill Delivery | 1950 | Closed | - |
| U.P. | Kanpur | Mill Delivery | 1900 | 1900 | Unch |
| | Mathura | Mill Quality Loose | 1810 | Closed | - |
| | Kosi | Mill Quality Loose | 1900 | 1850 | 50 |
| | Hathras | Mill Quality Loose | 1870 | 1870 | Unch |
| | Aligarh | Mill Quality Loose | 1840 | Closed | - |
| Punjab | Khanna | Mill Quality Loose | 1880 | 1875 | 5 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1875 | 1875 | Unch |
| | 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 | 2300 | Closed | - |
| | Madurai | Mill Quality | 2357 | Closed | - |
| | Coimbatore | Mill Quality | 2357 | Closed | - |
| Bihar | Khagariya | Mill Delivery | 1800 | 1800 | Unch |
| | Muzaffarpur | Mill Delivery | 1830 | 1830 | Unch |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | Closed | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | Closed | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 13-Jun-19 | 12-Jun-19 | |
| Gujarat | Rajkot | Lokwan | Closed | 2100 | - |
| M.P. | Indore | Lokwan | 2300 | 2300 | Unch |
| | Bhopal | Lokwan | 1900 | 1900 | Unch |
| | Bina | Sarbati 306 | NR | Closed | - |
| Rajasthan | Kota | Lokwan Bilty | 2050 | Closed | - |
| | Baran | Lokwan | 1950 | 1950 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 13-Jun-19 | 12-Jun-19 | |
| Delhi | Lawrence Road | Mill Delivery | 10000 | 9000 | 1000 |
| | Narella | Mill Quality Loose | 1000 | Closed | - |
| | Nazafgarh | Mill Quality Loose | 150 | Closed | - |
| Gujarat | Rajkot | Mill Quality Loose | Closed | 1000 | - |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Quality Loose | 10000 | 12000 | -2000 |
| Rajasthan | Kota | Mill Quality | 15000 | Closed | - |
| U.P. | Kanpur | Mill Quality Loose | 8000 | 8000 | Unch |
| | Mathura | Mill Quality Loose | 1000 | Closed | - |
| | Kosi | Mill Quality Loose | 100 | 400 | -300 |
| | Hathras | Mill Quality Loose | 400 | 400 | Unch |
| | Aligarh | Mill Quality Loose | 2500 | Closed | - |
| Punjab | Khanna | Mill Quality Loose | 3000 | 3000 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 300 | 400 | -100 |
| | 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 | 13-Jun-19 | 12-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: 12.06.2019 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 19-Jul | 519.75 | 528.00 | 513.00 | 526.25 | 8.25 |
| 19-Sep | 523.00 | 531.75 | 516.25 | 531.00 | 9.75 |
| 19-Dec | 533.25 | 542.75 | 527.00 | 542.25 | 10.25 |
| 20-Mar | 543.75 | 553.00 | 537.50 | 552.50 | 10.50 |
| 20-May | 548.75 | 557.25 | 543.00 | 556.75 | 10.00 |
| 20-Jul | 550.00 | 558.75 | 545.00 | 557.75 | 8.50 |

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