

Wheat Domestic Fundamentals:

Wheat WPI has decreased from 151.5 in April-2019 to 150.7 in May-2019. Monthly wheat inflation has decreased by 0.53 percent in May-2019 compared to previous month. As compared to May-2018 wheat WPI has increased by around 6.35 percent. Wheat WPI is expected to stay steady to firm in coming month.

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.

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:14.06.2019 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	1950	1955	1955	1955	10	0	400	0
19-Jul	-7	1977	1978	1970	1970	750	420	7890	290
19-Aug	0	1999	1999	1999	1999	0	-20	60	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	15		
19-Jul		15	
19-Aug			29

Stocks	Demat	In-Process	Total	EDD
	13.Jun.19	13.Jun.19	13.Jun.19	10.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	30682	531	31213	30583
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 14.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jun-19	13-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2015	2015	Unch
	Narella	Mill Quality Loose	1940	1940	Unch
	Nazafgarh	Mill Quality Loose	1920	1900	20
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	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	1840	Unch
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1915	1900	15
	Mathura	Mill Quality Loose	1825	1810	15
	Kosi	Mill Quality Loose	1900	1900	Unch
	Hathras	Mill Quality Loose	1900	1870	30
	Aligarh	Mill Quality Loose	1850	1840	10
Punjab	Khanna	Mill Quality Loose	1880	1880	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1875	25
	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	2275	2300	-25
	Madurai	Mill Quality	2332	2357	-25
	Coimbatore	Mill Quality	2332	2357	-25
Bihar	Khagariya	Mill Delivery	1900	1800	100
	Muzaffarpur	Mill Delivery	1810	1830	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jun-19	13-Jun-19	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1900	1950	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Jun-19	13-Jun-19	
Delhi	Lawrence Road	Mill Delivery	9000	10000	-1000
	Narella	Mill Quality Loose	600	1000	-400
	Nazafgarh	Mill Quality Loose	50	150	-100
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	8000	10000	-2000
Rajasthan	Kota	Mill Quality	13000	15000	-2000
U.P.	Kanpur	Mill Quality Loose	5000	8000	-3000
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	350	400	-50
	Aligarh	Mill Quality Loose	1500	2500	-1000
Punjab	Khanna	Mill Quality Loose	3000	3000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	300	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	300	200	100

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

Wheat Products Delhi	14-Jun-19	13-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: 13.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	526.00	536.50	524.75	535.50	9.25
19-Sep	530.25	539.50	529.25	539.00	8.00
19-Dec	542.00	550.25	540.25	549.75	7.50
20-Mar	552.25	560.00	550.00	559.75	7.25
20-May	557.00	563.50	553.75	563.25	6.50
20-Jul	554.25	563.50	554.25	562.75	5.00

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