

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 1.53 percent to Rs. 2003.76 per quintal during the week ended 15th June 2019. Wheat average price were ruling at Rs 2034.91 per quintal during 01-18 June 2019. As compared to prices in the week 09-15 June 2018, the prices are firm by 0.43 percent. Prices are expected to remain steady to slightly in coming days due to hike in import duty and good demand in domestic market.

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 \$444.48 (Rs 31964.52) per tonne and \$458.01 (Rs 31964.52) 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 22500 per tonne and Rs 23000 per tonne respectively.

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.

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.

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	-5	1977	1978	1970	1972	750	420	7890	290
19-Aug	-10	1999	1989	1989	1989	0	-20	60	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	15		
19-Jul		17	
19-Aug			17

Stocks	Demat	In-Process	Total	EDD
	14.Jun.19	14.Jun.19	14.Jun.19	10.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	30682	531	31213	30583
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 15.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Jun-19	14-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2015	2015	Unch
	Narella	Mill Quality Loose	1940	1940	Unch
	Nazafgarh	Mill Quality Loose	1925	1920	5
Gujarat	Rajkot	Mill Delivery	1940	Closed	-
	Ahmedabad	Mill Delivery	2030	Closed	-
	Surat	Mill Delivery	2090	Closed	-
	Dhrol	Mill Quality Loose	2060	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	1915	Unch
	Mathura	Mill Quality Loose	1825	1825	Unch
	Kosi	Mill Quality Loose	1900	1900	Unch
	Hathras	Mill Quality Loose	1890	1900	-10
	Aligarh	Mill Quality Loose	1860	1850	10
Punjab	Khanna	Mill Quality Loose	1875	1880	-5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1900	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	2275	2275	Unch
	Madurai	Mill Quality	2332	2332	Unch
	Coimbatore	Mill Quality	2332	2332	Unch
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1810	1810	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Jun-19	14-Jun-19	
Gujarat	Rajkot	Lokwan	2100	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	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Jun-19	14-Jun-19	
Delhi	Lawrence Road	Mill Delivery	9000	9000	Unch
	Narella	Mill Quality Loose	600	600	Unch
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	500	Closed	-
	Dhrol	Mill Quality Loose	11	NR	-
M.P.	Indore	Mill Quality Loose	10000	8000	2000
Rajasthan	Kota	Mill Quality	12000	13000	-1000
U.P.	Kanpur	Mill Quality Loose	4000	5000	-1000
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	50	100	-50
	Hathras	Mill Quality Loose	500	350	150
	Aligarh	Mill Quality Loose	1000	1500	-500
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	50	100	-50
	Bhiwani	Mill Quality Loose	500	300	200

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

Wheat Products Delhi	15-Jun-19	14-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: 14.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	535.50	544.00	530.75	538.50	3.00
19-Sep	539.00	545.25	534.25	542.00	3.00
19-Dec	550.25	555.75	545.25	553.25	3.50
20-Mar	560.00	565.00	555.25	563.00	3.25
20-May	564.00	566.25	557.25	565.00	1.75
20-Jul	562.75	563.50	553.25	560.75	-2.00

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