

Wheat Domestic Fundamentals:

Recovery could not sustain in cash wheat market. Trading activities remain restricted due poor offtake by mills in major markets. Supply side in coming is likely due be ample despite festive season being round the corner. Range bound movement is expected in cash wheat market until govt. changes its sale strategy. Demand for wheat products remains weak.

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:

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has lowered its wheat export volume by 18% to 117 lakh MT due to prevailing drought like condition in the new year starting from July-2019. Previously export estimate in March was 142 lakh MT. The major exporter of wheat is importing wheat first time to meet the needs of end users. Import may continue in new MY. Production is expected to be around 210 lakh MT against 10 years average of 244 lakh MT.

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, 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 slightly weak in the near term.

Wheat Futures Contact: NCDEX Price							Date:20.06.2019 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-Jul	3	1965	1965	1964	1965	140	80	8160	90
19-Aug	7	1990	2000	1994	1997	30	20	120	20
19-Sep	0	2018	2018	2018	2018	00	00	30	-60

Spread	Jul-19	Aug-19	Sep-19
Spot Narella			
19-Jul	25		
19-Aug		32	
19-Sep			21

Stocks	Demat	In-Process	Total	EDD
	19.Jun.19	19.Jun.19	19.Jun.19	17.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	31214	922	32136	31164
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 20.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jun-19	19-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2015	2020	-5
	Narella	Mill Quality Loose	1940	Closed	-
	Nazafgarh	Mill Quality Loose	1925	Closed	-
Gujarat	Rajkot	Mill Delivery	1940	1940	Unch
	Ahmedabad	Mill Delivery	2040	2030	10
	Surat	Mill Delivery	2080	2080	Unch
	Dhrol	Mill Quality Loose	2100	2000	100
M.P.	Indore	Mill Delivery	Closed	1965	-
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1800	1830	-30
		Mill Delivery	1950	1920	30
U.P.	Kanpur	Mill Delivery	1925	1925	Unch
	Mathura	Mill Quality Loose	1830	1865	-35
	Kosi	Mill Quality Loose	1940	1950	-10
	Hathras	Mill Quality Loose	1875	1880	-5
	Aligarh	Mill Quality Loose	1860	Closed	-
Punjab	Khanna	Mill Quality Loose	1900	1885	15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1900	Unch
	Hodal	Mill Delivery	Closed	NA	-

	Bhiwani	Mill Quality Loose	1900	1900	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2350	Unch
	Madurai	Mill Quality	2407	2407	Unch
	Coimbatore	Mill Quality	2407	2407	Unch
Bihar	Khagariya	Mill Delivery	1850	1850	Unch
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Jun-19	19-Jun-19	
Gujarat	Rajkot	Lokwan	2125	2100	25
M.P.	Indore	Lokwan	Closed	2300	-
	Bhopal	Lokwan	1925	1900	25
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2100	2050	50
	Baran	Lokwan	1900	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Jun-19	19-Jun-19	
Delhi	Lawrence Road	Mill Delivery	8500	8000	500
	Narella	Mill Quality Loose	500	Closed	-
	Nazafgarh	Mill Quality Loose	30	Closed	-
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	13	24	-11
M.P.	Indore	Mill Quality Loose	Closed	5000	-
Rajasthan	Kota	Mill Quality	15000	4000	11000
U.P.	Kanpur	Mill Quality Loose	5000	5000	Unch
	Mathura	Mill Quality Loose	2000	300	1700
	Kosi	Mill Quality Loose	100	360	-260
	Hathras	Mill Quality Loose	300	400	-100
	Aligarh	Mill Quality Loose	1200	Closed	-
Punjab	Khanna	Mill Quality Loose	2000	2000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	500	-100
	Hodal	Mill Quality Loose	Closed	50	-
	Bhiwani	Mill Quality Loose	300	600	-300

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

Wheat Products Delhi	20-Jun-19	19-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: 19.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	530.25	531.00	514.25	522.25	-9.25
19-Sep	533.75	535.00	519.00	526.75	-8.75
19-Dec	545.25	545.25	530.00	536.00	-10.75
20-Mar	557.00	557.00	541.25	546.50	-11.75
20-May	561.00	561.00	545.50	549.25	-13.00
20-Jul	558.25	559.75	543.75	546.25	-14.50

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