

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:21.06.2019 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	1	1965	1974	1965	1966	320	180	8190	30
19-Aug	3	1997	2000	1998	2000	40	10	160	40
19-Sep	0	-	-	-	-	-	-	-	-

Spread	Jul-19	Aug-19	Sep-19
Spot Narella			
19-Jul	16		
19-Aug		34	
19-Sep			-

Stocks	Demat	In-Process	Total	EDD
	20.Jun.19	20.Jun.19	20.Jun.19	17.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	31785	469	32254	31164
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 21.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Jun-19	20-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2020	2015	5
	Narella	Mill Quality Loose	1950	1940	10
	Nazafgarh	Mill Quality Loose	1925	1925	Unch
Gujarat	Rajkot	Mill Delivery	1940	1940	Unch
	Ahmedabad	Mill Delivery	2030	2040	-10
	Surat	Mill Delivery	2080	2080	Unch
	Dhrol	Mill Quality Loose	2180	2100	80
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1800	1800	Unch
		Mill Delivery	1930	1950	-20
U.P.	Kanpur	Mill Delivery	1925	1925	Unch
	Mathura	Mill Quality Loose	1830	1830	Unch
	Kosi	Mill Quality Loose	1925	1940	-15
	Hathras	Mill Quality Loose	1870	1875	-5
	Aligarh	Mill Quality Loose	1860	1860	Unch
Punjab	Khanna	Mill Quality Loose	1910	1900	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1900	Unch
	Hodal	Mill Delivery	Closed	Closed	-

	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	1900	1850	50
	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
			21-Jun-19	20-Jun-19	
Gujarat	Rajkot	Lokwan	2100	2125	-25
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	1925	1925	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1900	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Jun-19	20-Jun-19	
Delhi	Lawrence Road	Mill Delivery	7500	8500	-1000
	Narella	Mill Quality Loose	600	500	100
	Nazafgarh	Mill Quality Loose	100	30	70
Gujarat	Rajkot	Mill Quality Loose	400	500	-100
	Dhrol	Mill Quality Loose	17	13	4
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	15000	15000	Unch
U.P.	Kanpur	Mill Quality Loose	5000	5000	Unch
	Mathura	Mill Quality Loose	2500	2000	500
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	450	300	150
	Aligarh	Mill Quality Loose	2000	1200	800
Punjab	Khanna	Mill Quality Loose	2000	2000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	Closed	Closed	-
	Bhiwani	Mill Quality Loose	200	300	-100

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

Wheat Products Delhi	21-Jun-19	20-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: 20.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	520.75	529.00	515.50	526.50	4.25
19-Sep	524.75	534.75	519.75	531.75	5.00
19-Dec	533.25	544.75	529.50	541.50	5.50
20-Mar	544.50	555.75	541.00	552.25	5.75
20-May	546.00	558.50	543.75	555.25	6.00
20-Jul	543.75	554.75	542.00	552.00	5.75

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