

Wheat Domestic Fundamentals:

As per market sources, government may increase quota for below poverty line and increase sale in open market to liquidate high inventories. If this move is finalized, it will not only help in reducing inventory pressure but also provide support to prices. As on 01st June FCI had a stock of 46.56 MMT and 27.58 MMT of wheat and rice respectively.

Government agencies have started procurement. Until 24th June'19 government has procured around 341.15 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, 36.87 lakh tonnes from Uttar Pradesh, 67.25 lakh tonnes from Madhya Pradesh, 0.03 lakh tonnes from Bihar, 14.02 lakh tonnes from Rajasthan, 0.42 lakh tonnes from Uttarakhand, 0.13 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 357.0 LMT.

All India weekly average prices increased by 3.08 percent to Rs. 2065.56 per quintal during the week ended 23rd June 2019. Wheat average price were ruling at Rs 2003.76 per quintal during 09-15 June 2019. As compared to prices in the week 16-23 June 2018, the prices are firm by 3.21 percent. Prices are expected to remain steady to slightly in coming days due to hike in import duty and good demand in domestic market.

Wheat prices are likely to remain steady to slightly firm in coming weeks due to low demand in domestic market. Due to higher reserve price of Rs 2080 per quintal, millers/traders have bought as much as wheat they could during arrival season. Stock with traders/millers is the main reason for lower off take through open market sales scheme in domestic market. Prices are likely to move up as soon as the stock with traders/millers diminishes.

Government has offered 10238931 tonnes of wheat in OMSS until second tender in June'19 out of which 85100 tonnes was sold. No rakes were sold. State government and bulk consumers bought 84600 tonnes and 500 tonnes of wheat respectively. In the month of May'19, government has sold 55100 tonnes of wheat against offered quantity of 5303081 tonnes. Government will sell wheat in open market at a reserve price of Rs 2080 per quintal in the first quarter i.e. April-June. For second, third and fourth quarter prices will be Rs 2135 per quintal, Rs 2190 per quintal and Rs 2245 per quintal respectively. Millers/traders have bought as much quantity as they could during arrival season due to higher reserve price.

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.

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:

Russian wheat price have eased due to harvesting pressure. However prices are being closed watched due to hot weather. Sowing is declining in some areas whereas low moisture may impact yields. Russian wheat crop with 12.5% protein content is being quoted at FoB \$194/T, down by \$1/MT compared to previous week.

Taiwan flour mills association has bought 83200 tonnes of milling wheat from United States. Of the total quantity, 20700 tonnes of U.S. dark northern spring wheat of 14.5 percent protein content was bought at FOB \$234.13 per tonne from CHS, 12850 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$236.31 per tonne from United grain corp and 5875 tonnes of soft white wheat with 9 percent protein was bought at FoB \$225.19 per tonne from CHS.

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.

Outlook: Cash market is likely to trade steady to firm in the near term.

Wheat Futures Contact: NCDEX Price							Date:26.06.2019 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	1961	1968	1961	1964	110	-50	8150	-60
19-Aug	+2	1998	1998	1995	1995	20	-70	630	+20
19-Sep	0	2029	2029	2029	2029	0	0	30	0

Spread	July-19	Aug-19	Sep-19
Spot Narella			
19-Jul	24		
19-Aug		31	
19-Sep			34

Stocks	Demat	In-Process	Total	EDD
	25.Jun.19	25.Jun.19	25.Jun.19	24.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	32324	375	32699	32022
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 26.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jun-19	25-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2025	2025	Unch
	Narella	Mill Quality Loose	Closed	1940	-
	Nazafgarh	Mill Quality Loose	Closed	1925	-
Gujarat	Rajkot	Mill Delivery	1930	1940	-10
	Ahmedabad	Mill Delivery	2025	2020	5
	Surat	Mill Delivery	2060	2065	-5
	Dhrol	Mill Quality Loose	2150	2050	100
M.P.	Indore	Mill Delivery	1965	1965	Unch
	Bhopal	Mill Quality Loose	1830	1825	5
Rajasthan	Kota	Mill Quality Loose	1815	1800	15
		Mill Delivery	1975	1930	45
U.P.	Kanpur	Mill Delivery	1930	1930	Unch
	Mathura	Mill Quality Loose	1800	1800	Unch
	Kosi	Mill Quality Loose	1925	1940	-15
	Hathras	Mill Quality Loose	1825	1825	Unch
	Aligarh	Mill Quality Loose	Closed	1860	-
Punjab	Khanna	Mill Quality Loose	1950	1890	60
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1905	1905	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1925	1920	5
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1825	1830	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jun-19	25-Jun-19	
Gujarat	Rajkot	Lokwan	2100	2125	-25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1870	1875	-5
	Bina	Sarbati 306	Closed	2500	-
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	1900	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Jun-19	25-Jun-19	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	500	700	-200
	Dhrol	Mill Quality Loose	5	17	-12
M.P.	Indore	Mill Quality Loose	7000	8000	-1000
Rajasthan	Kota	Mill Quality	6000	12000	-6000
U.P.	Kanpur	Mill Quality Loose	5000	5000	Unch
	Mathura	Mill Quality Loose	1200	2000	-800
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	450	450	Unch
	Aligarh	Mill Quality Loose	Closed	2000	-
Punjab	Khanna	Mill Quality Loose	1000	2000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	400	100
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	26-Jun-19	25-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: 25.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	540.25	545.50	534.00	535.75	-2.25
19-Sep	545.00	549.50	538.25	540.00	-2.50
19-Dec	555.00	558.25	548.25	550.50	-2.00
20-Mar	563.00	567.00	558.00	560.00	-2.25
20-May	565.50	568.25	560.00	562.25	-2.00
20-Jul	559.75	562.75	555.00	557.50	-1.25

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