

Wheat Domestic Fundamentals:

As per trade sources, after increase in import duty to 40 percent imports have decreased substantially. India has imported no wheat in the month of May-19. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 498.77 tonnes in the month of April-2019.

As per trade source, India has exported around 9.73 thousand tonnes in the month of May-2019. The quantity in May-2019 was exported at an average FOB of \$ 333.26 per tonne and the major destinations were Nepal, UAE and Somalia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

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 bidders 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.

International Market Update:

Russian wheat price have eased due to harvesting pressure. However prices are being closely 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:28.06.2019 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	+9	1972	1985	1972	1976	880	+480	8090	0
19-Aug	+3	1999	2006	1999	2001	140	-150	790	0
19-Sep	-3	2029	2026	2026	2026	0	0	0	-30

Spread	July-19	Aug-19	Sep-19
Spot Narella			
19-Jul	26		
19-Aug		25	
19-Sep			25

Stocks	Demat	In-Process	Total	EDD
	28.Jun.19	28.Jun.19	28.Jun.19	24.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	32382	475	32857	32022
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 29.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jun-19	28-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2040	2030	10
	Narella	Mill Quality Loose	1950	1950	Unch
	Nazafgarh	Mill Quality Loose	1930	1925	5
Gujarat	Rajkot	Mill Delivery	1930	1930	Unch
	Ahmedabad	Mill Delivery	2030	2020	10
	Surat	Mill Delivery	2070	2060	10
	Dhrol	Mill Quality Loose	1900	2000	-100
M.P.	Indore	Mill Delivery	1970	1965	5
	Bhopal	Mill Quality Loose	1825	1825	Unch
Rajasthan	Kota	Mill Quality Loose	1830	1830	Unch
		Mill Delivery	1920	1920	Unch
U.P.	Kanpur	Mill Delivery	1930	1950	-20
	Mathura	Mill Quality Loose	1790	1790	Unch
	Kosi	Mill Quality Loose	1900	1900	Unch
	Hathras	Mill Quality Loose	1825	1825	Unch
	Aligarh	Mill Quality Loose	1870	1860	10
Punjab	Khanna	Mill Quality Loose	1920	1900	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1915	1915	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1925	1925	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	1900	Unch
	Muzaffarpur	Mill Delivery	1830	1830	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Jun-19	28-Jun-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1850	1850	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2200	2200	Unch
	Baran	Lokwan	1900	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Jun-19	28-Jun-19	
Delhi	Lawrence Road	Mill Delivery	8000	9000	-1000
	Narella	Mill Quality Loose	400	400	Unch
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	600	500	100
	Dhrol	Mill Quality Loose	5	18	-13
M.P.	Indore	Mill Quality Loose	7000	6000	1000
Rajasthan	Kota	Mill Quality	8000	10000	-2000
U.P.	Kanpur	Mill Quality Loose	6000	5000	1000
	Mathura	Mill Quality Loose	600	1000	-400
	Kosi	Mill Quality Loose	2000	400	1600
	Hathras	Mill Quality Loose	250	200	50
	Aligarh	Mill Quality Loose	2000	1500	500
Punjab	Khanna	Mill Quality Loose	600	500	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	29-Jun-19	28-Jun-19	Change
Atta (50kg) Ordinary	1075	1055	20
Maida Grade 1 (50KG)	1255	1295	-40
Suji (50kg)	1220	1210	10
Chokar (50 kg)	875	890	-15
Chokar (34 kg)	595	605	-10
Chakki Atta (50kg)	1205	1200	5
Chakki Atta (50kg) Special	1230	1225	5
Chakki Atta (90kg) Superfine	2235	2230	5
Chakki Atta (50kg) Superfine	1240	1235	5

Wheat (CBOT) Future Price: 28.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	547.75	558.00	525.75	528.00	-19.50
19-Sep	546.00	554.75	522.50	527.25	-19.50
19-Dec	556.75	564.50	533.75	538.50	-18.25
20-Mar	565.50	573.00	544.00	548.75	-17.00
20-May	565.75	573.00	547.50	551.50	-15.50
20-Jul	558.50	566.00	543.75	546.75	-14.00

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