

**Wheat Domestic Fundamentals:**

**Government has offered 15252981 tonnes of wheat in OMSS until fourth tender in June'19 out of which 91000 tonnes was sold. No rakes were sold.** State government and bulk consumers bought 90500 tonnes and 500 tonnes of wheat respectively. In the month of June'19, government has sold 35900 tonnes of wheat against offered quantity of 9949900 tonnes. Government sold 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. This is the main reason for lower sale through OMSS.

**India mainly imports from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality.** As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$333.2 (Rs 23010.79) per tonne and \$385.7 (Rs 26636.44) 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.

**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 24<sup>th</sup> 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.

**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.

**International Market Update:**

**Russian wheat prices moved up by \$ 2 per MT due to continuous dry and hot weather in Russia and Ukraine.** The entire month of June was abnormally dry in both the countries. Although some rain is expected in coming weeks, however, majority of Russian regions will still remain drier than normal.

**GASC (General Authority for Supply Commodities) has purchased 60000 tonnes of Romanian wheat through tender.** CHS offered 60000 tonnes of Romanian wheat at FoB \$196.96 per tonne. This tender is the first tender in Egypt's financial year which started on July 1. Egypt is the largest importer of wheat and imports around 11-12 MMT of wheat every year.

**The Saudi Arabia Grain Organization has purchased 730000 tonnes wheat through tender.** The said quantity will arrive at three different ports. Around 425000 tonnes will arrive at Jeddah port, 250000 tonnes at Dammam and the remaining 55000 tonnes at Jizan port. Saudi Arabia abandoned plans of self-sufficiency in 2008 as farming in desert reduced scarce water resources and became a major importer of hard and soft wheat.

**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:04.07.2019 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	1970	1975	1967	1973	720	-150	5890	-310
19-Aug	3	2000	2005	1997	2003	750	-140	2780	330
19-Sep	0	2030	2030	2030	2030	0	0	0	-30

Spread	July-19	Aug-19	Sep-19
Spot Narella			
19-Jul	23		
19-Aug		30	
19-Sep			27

Stocks	Demat	In-Process	Total	EDD
	03.Jul.19	03.Jul.19	03.Jul.19	01.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	32906	301	33207	32780
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 04.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Jul-19	3-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2035	2035	Unch
	Narella	Mill Quality Loose	1950	Closed	-
	Nazafgarh	Mill Quality Loose	1930	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	1940	-
	Ahmedabad	Mill Delivery	Closed	2050	-
	Surat	Mill Delivery	Closed	2080	-
	Dhrol	Mill Quality Loose	Closed	2155	-
M.P.	Indore	Mill Delivery	2010	2010	Unch
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1835	1835	Unch
		Mill Delivery	1960	1960	Unch
U.P.	Kanpur	Mill Delivery	1930	1930	Unch
	Mathura	Mill Quality Loose	1820	1815	5
	Kosi	Mill Quality Loose	1925	1925	Unch
	Hathras	Mill Quality Loose	1850	1830	20
	Aligarh	Mill Quality Loose	1860	Closed	-
Punjab	Khanna	Mill Quality Loose	1950	1935	15
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1940	1930	10
	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	2000	2000	Unch
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Jul-19	3-Jul-19	
Gujarat	Rajkot	Lokwan	Closed	2100	-
M.P.	Indore	Lokwan	2300	2400	-100
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1900	1900	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Jul-19	3-Jul-19	
Delhi	Lawrence Road	Mill Delivery	7500	7000	500
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	30	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	500	-
	Dhrol	Mill Quality Loose	Closed	14	-
M.P.	Indore	Mill Quality Loose	8000	8000	Unch
Rajasthan	Kota	Mill Quality	2500	4000	-1500
U.P.	Kanpur	Mill Quality Loose	5000	5000	Unch
	Mathura	Mill Quality Loose	300	1000	-700
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	60	200	-140
	Aligarh	Mill Quality Loose	1500	Closed	-
Punjab	Khanna	Mill Quality Loose	400	600	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	4-Jul-19	3-Jul-19	Change
Atta (50kg) Ordinary	1075	1075	Unch
Maida Grade 1 (50KG)	1255	1255	Unch
Suji (50kg)	1220	1220	Unch
Chokar (50 kg)	875	875	Unch
Chokar (34 kg)	595	595	Unch
Chakki Atta (50kg)	1205	1205	Unch
Chakki Atta (50kg) Special	1230	1230	Unch
Chakki Atta (90kg) Superfine	2235	2235	Unch
Chakki Atta (50kg) Superfine	1240	1240	Unch

Wheat (CBOT) Future Price: 03.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	504.00	518.50	503.75	518.00	14.50
19-Sep	502.00	514.50	501.00	514.00	10.75
19-Dec	514.00	526.00	513.25	525.25	9.75
20-Mar	527.75	537.75	526.50	537.25	8.50
20-May	534.50	543.00	533.50	542.75	7.25
20-Jul	536.50	544.50	536.25	544.00	5.50

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