

Wheat Domestic Fundamentals:

Weak tone prevailed in wheat market today as demand from flour millers was low. Millers have purchased good quantity of wheat during arrival season. These stockpiles are resulting in low demand as well as low sales through OMSS. Wheat July futures closed at Rs 1962 per quintal after falling by Rs 9 per quintal.

The government has purchased around 34.13 MMT of wheat until 24th June 2019. Procurement is lagging behind this year even after good production compared to last year. In RMS 2018-19, around 35.7 MMT of wheat was procured against a target of 32 MMT. Diversion of wheat to flour millers in Uttar Pradesh is one of the main reason procurement is lagging behind in RMS 2019-20. Flour millers in Uttar Pradesh are buying directly from farmers to avoid paying a higher reserve price of Rs 2080 per quintal. Apart from U.P, procurement is also slightly below target procurement in Madhya Pradesh and Rajasthan due to the same reason mentioned above.

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 is 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.

International Market Update:

Algeria state grains agency OAIC has bought around 360000 tonnes of milling wheat in a tender that closed on Thursday. The prices paid were in the range of \$217.00-217.50 per tonne (Cost and Freight). Most of the quantity is expected to be sourced from Canada. Algeria does not disclose the results of its tenders and purchase reports are based on trade assessments. The quantity is to be shipped between in the month of August.

Iraq has procured around 4 MMT of wheat from local farmers. The current season began on April'15. Iraq is aiming at importing fewer wheat.

As per latest update, Japan's ministry of agriculture bought 123968 MT of food quality wheat from United States, Canada and Australia. Around 66053 MT has been bought from United States, 33510 tonnes from Canada and 24405 MT of standard white wheat has been bought from west Australia. The said quantity will be loaded between 01st - 30th September.

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.

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

Wheat Futures Contact: NCDEX Price							Date:05.07.2019 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	-9	1974	1974	1962	1962	1350	630	5170	-720
19-Aug	-5	2002	2003	1997	1997	1200	450	3320	540
19-Sep	0	2033	2033	2033	2033	0	0	30	30

Spread	July-19	Aug-19	Sep-19
Spot Narella			
19-Jul	12		
19-Aug		35	
19-Sep			36

Stocks	Demat	In-Process	Total	EDD
	05.Jul.19	05.Jul.19	05.Jul.19	01.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33088	160	33248	32780
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 06.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jul-19	5-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2035	2030	5
	Narella	Mill Quality Loose	1950	1950	Unch
	Nazafgarh	Mill Quality Loose	1930	1930	Unch
Gujarat	Rajkot	Mill Delivery	1940	1940	Unch
	Ahmedabad	Mill Delivery	2040	2050	-10
	Surat	Mill Delivery	2080	2080	Unch
	Dhrol	Mill Quality Loose	1860	1960	-100
M.P.	Indore	Mill Delivery	2020	2025	-5
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1855	-5
		Mill Delivery	1960	1980	-20
U.P.	Kanpur	Mill Delivery	1930	1930	Unch
	Mathura	Mill Quality Loose	1810	1820	-10
	Kosi	Mill Quality Loose	1925	1940	-15
	Hathras	Mill Quality Loose	1825	1850	-25
	Aligarh	Mill Quality Loose	1860	1860	Unch
Punjab	Khanna	Mill Quality Loose	1930	1940	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1940	1940	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1950	1940	10
	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	1850	1850	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jul-19	5-Jul-19	
Gujarat	Rajkot	Lokwan	2110	2100	10
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2050	2070	-20
	Baran	Lokwan	1925	1900	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Jul-19	5-Jul-19	
Delhi	Lawrence Road	Mill Delivery	8500	8000	500
	Narella	Mill Quality Loose	400	500	-100
	Nazafgarh	Mill Quality Loose	100	200	-100
Gujarat	Rajkot	Mill Quality Loose	600	600	Unch
	Dhrol	Mill Quality Loose	9	17	-8
M.P.	Indore	Mill Quality Loose	6000	8000	-2000
Rajasthan	Kota	Mill Quality	2500	5000	-2500
U.P.	Kanpur	Mill Quality Loose	5000	5000	Unch
	Mathura	Mill Quality Loose	300	350	-50
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	300	60	240
	Aligarh	Mill Quality Loose	700	1200	-500
Punjab	Khanna	Mill Quality Loose	700	600	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	300	200
	Hodal	Mill Quality Loose	50	60	-10
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	6-Jul-19	5-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: 05.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	511.50	520.50	511.50	519.25	1.25
19-Sep	514.00	517.00	505.25	515.00	1.00
19-Dec	525.00	527.25	516.75	525.50	0.25
20-Mar	537.00	538.50	529.00	537.25	Unch
20-May	541.50	542.75	535.25	541.75	-1.00
20-Jul	542.75	542.75	536.25	541.25	-2.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.