

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 0.76 percent to Rs. 2039.37 per quintal during the week ended 08th July 2019. Wheat average price were ruling at Rs 2055.02 per quintal during 24-30 June 2019. As compared to prices in the week 01-18 July 2018, the prices are firm by 9.78 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 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 22887.51) per tonne and \$402.50 (Rs 27647.73) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai is ruling around Rs 22500 per tonne.

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.

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.

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:08.07.2019 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 | 1965 | 1970 | 1959 | 1966 | 1610 | 260 | 4880 | -290 |
| 19-Aug | -6 | 1997 | 1999 | 1992 | 1996 | 930 | -270 | 3810 | 490 |
| 19-Sep | 0 | 2035 | 2035 | 2035 | 2035 | 0 | 0 | 30 | 0 |

| Spread | July-19 | Aug-19 | Sep-19 |
|--------------|---------|--------|--------|
| Spot Narella | | | |
| 19-Jul | 16 | | |
| 19-Aug | | 30 | |
| 19-Sep | | | 39 |

| Stocks | Demat | In-Process | Total | EDD |
|--------|-----------|------------|-----------|-----------|
| | 06.Jul.19 | 06.Jul.19 | 06.Jul.19 | 01.Jul.19 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 33248 | 51 | 33299 | 32780 |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 08.07.2019

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
| | | | 8-Jul-19 | 6-Jul-19 | |
| Delhi | Lawrence Road | Mill Delivery | 2035 | 2035 | Unch |
| | Narella | Mill Quality Loose | 1950 | 1950 | Unch |
| | Nazafgarh | Mill Quality Loose | 1930 | 1930 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1950 | 1940 | 10 |
| | Ahmedabad | Mill Delivery | 2050 | 2040 | 10 |
| | Surat | Mill Delivery | 2080 | 2080 | Unch |
| | Dhrol | Mill Quality Loose | 1960 | 1860 | 100 |
| M.P. | Indore | Mill Delivery | 2010 | 2020 | -10 |
| | Bhopal | Mill Quality Loose | 1860 | 1850 | 10 |
| Rajasthan | Kota | Mill Quality Loose | 1870 | 1850 | 20 |
| | | Mill Delivery | 1960 | 1960 | Unch |
| U.P. | Kanpur | Mill Delivery | 1975 | 1930 | 45 |
| | Mathura | Mill Quality Loose | 1810 | 1810 | Unch |
| | Kosi | Mill Quality Loose | 1900 | 1925 | -25 |
| | Hathras | Mill Quality Loose | 1850 | 1825 | 25 |
| | Aligarh | Mill Quality Loose | 1860 | 1860 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1950 | 1930 | 20 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1940 | 1940 | Unch |
| | Hodal | Mill Delivery | NA | NA | - |

| | | | | | |
|-------------------|-------------------------------|--------------------|------|------|-------------|
| | Bhiwani | Mill Quality Loose | 1960 | 1950 | 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 | 1900 | 2000 | -100 |
| | 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 |
|------------------|--------|--------------|-----------------|----------|-------------|
| | | | 8-Jul-19 | 6-Jul-19 | |
| Gujarat | Rajkot | Lokwan | 2100 | 2110 | -10 |
| M.P. | Indore | Lokwan | 2300 | 2300 | Unch |
| | Bhopal | Lokwan | 1950 | 1950 | Unch |
| | Bina | Sarbati 306 | NR | 2500 | - |
| Rajasthan | Kota | Lokwan Bilty | 2050 | 2050 | Unch |
| | Baran | Lokwan | 1925 | 1925 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|----------|-------------|
| | | | 8-Jul-19 | 6-Jul-19 | |
| Delhi | Lawrence Road | Mill Delivery | 9000 | 8500 | 500 |
| | Narella | Mill Quality Loose | 500 | 400 | 100 |
| | Nazafgarh | Mill Quality Loose | 100 | 100 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 700 | 600 | 100 |
| | Dhrol | Mill Quality Loose | 6 | 9 | -3 |
| M.P. | Indore | Mill Quality Loose | 6000 | 6000 | Unch |
| Rajasthan | Kota | Mill Quality | 4000 | 2500 | 1500 |
| U.P. | Kanpur | Mill Quality Loose | 7000 | 5000 | 2000 |
| | Mathura | Mill Quality Loose | 300 | 300 | Unch |
| | Kosi | Mill Quality Loose | 300 | 400 | -100 |
| | Hathras | Mill Quality Loose | 150 | 300 | -150 |
| | Aligarh | Mill Quality Loose | 3000 | 700 | 2300 |
| Punjab | Khanna | Mill Quality Loose | 600 | 700 | -100 |
| | (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 | 300 | 400 | -100 |

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

| Wheat Products Delhi | 8-Jul-19 | 6-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 |

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