

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:

As per SovEcon, Russia is expected to produce 76.6 MMT of wheat compared to their previous forecast of 82.2 MMT. Rains in upcoming weeks will not be able to fix the damage to winter grains caused by hot weather however it would be beneficial for spring grains. Global wheat production as well as stocks will still be on higher side keeping prices under pressure.

As per farm ministry, France is expected to produce 37.00 MMT of wheat in 2019, higher by around 8.5 percent compared to previous year. The average yield was around 7.73 tonnes/hectare compared to 6.98 tonnes per hectare last year. Yield was higher this year despite heat wave in late June.

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.

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.

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:09.07.2019 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	-15	1968	1975	1951	1953	2650	1,040	3590	-1,290
19-Aug	-13	1997	1997	1982	1983	2410	1,480	5400	1,590
19-Sep	0	2024	2024	2024	2024	0	0	30	0

Spread	July-19	Aug-19	Sep-19
Spot Narella			
19-Jul	3		
19-Aug		30	
19-Sep			41

Stocks	Demat	In-Process	Total	EDD
	08.Jul.19	08.Jul.19	08.Jul.19	08.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33248	51	33299	33247
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 09.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jul-19	8-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2035	2035	Unch
	Narella	Mill Quality Loose	1950	1950	Unch
	Nazafgarh	Mill Quality Loose	1920	1930	-10
Gujarat	Rajkot	Mill Delivery	1950	1950	Unch
	Ahmedabad	Mill Delivery	2060	2050	10
	Surat	Mill Delivery	2090	2080	10
	Dhrol	Mill Quality Loose	1950	1960	-10
M.P.	Indore	Mill Delivery	2010	2010	Unch
	Bhopal	Mill Quality Loose	1900	1860	40
Rajasthan	Kota	Mill Quality Loose	1850	1870	-20
		Mill Delivery	1970	1960	10
U.P.	Kanpur	Mill Delivery	1990	1975	15
	Mathura	Mill Quality Loose	1840	1810	30
	Kosi	Mill Quality Loose	1920	1900	20
	Hathras	Mill Quality Loose	1840	1850	-10
	Aligarh	Mill Quality Loose	1870	1860	10
Punjab	Khanna	Mill Quality Loose	1940	1950	-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	1960	-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	1900	Unch
	Muzaffarpur	Mill Delivery	1825	1850	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jul-19	8-Jul-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2000	1950	50
	Bina	Sarbati 306	2500	NR	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1925	1925	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Jul-19	8-Jul-19	
Delhi	Lawrence Road	Mill Delivery	10000	9000	1000
	Narella	Mill Quality Loose	200	500	-300
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	500	700	-200
	Dhrol	Mill Quality Loose	1	6	-5
M.P.	Indore	Mill Quality Loose	8000	6000	2000
Rajasthan	Kota	Mill Quality	3000	4000	-1000
U.P.	Kanpur	Mill Quality Loose	1500	7000	-5500
	Mathura	Mill Quality Loose	300	300	Unch
	Kosi	Mill Quality Loose	380	300	80
	Hathras	Mill Quality Loose	50	150	-100
	Aligarh	Mill Quality Loose	2000	3000	-1000
Punjab	Khanna	Mill Quality Loose	500	600	-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	500	300	200

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

Wheat Products Delhi	9-Jul-19	8-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: 08.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	520.00	521.50	513.00	516.75	-2.50
19-Sep	518.00	519.00	507.25	511.00	-4.00
19-Dec	527.50	529.50	518.75	522.75	-2.75
20-Mar	540.00	541.00	531.75	535.25	-2.00
20-May	544.25	545.25	537.50	541.00	-0.75
20-Jul	543.75	544.75	538.25	540.50	-0.75

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