

**Wheat Domestic Fundamentals:**

**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 \$345.8 (Rs 23746.09) per tonne and \$373.80 (Rs 25670.85) 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 23000 per tonne. Therefore, as of now, there is no parity for wheat imports.

**Wheat market is likely to trade firm in near future.** No imports and good domestic demand will support prices. Furthermore, domestic availability of wheat is enough to meet emerging demand in the domestic market. As of now, prices are under pressure due to huge stock position with private traders/millers and government. Millers/traders have bought as much quantity as they could during arrival season due to higher reserve price.

**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.

**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 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.

**International Market Update:**

**Wheat CBOT increased by Cent 24.5 per bushel as USDA WASDE report reduced global production forecast for wheat.** Production has been reduced due to dry conditions in Australia, Black Sea and EU. Wheat exports have been reduced for Australia, Russia and Ukraine creating opportunity for EU and US.

**As per latest update, hot and dry weather is likely to continue at Australia's east coast and there is only 30 percent chance of rainfall between August 01 and October 30.** Furthermore, there is 80 percent probability that entire Australia will experience warmer than average temperatures. Private analyst are expecting wheat production to be around 18.00-18.50 MMT in 2019-20. Australia has already imported 50000-60000 MT of wheat from Canada. In case of third consecutive lower production, Australia may be seen importing more wheat.

**As per latest update, Egypt has purchased around 3.26 MMT of local wheat.** Local wheat supply season will end on 15th July. Egypt is the largest buyer of wheat in the world. Wheat is procured to ensure food security and minimize imports as much as possible.

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

Wheat Futures Contact: NCDEX Price							Date:12.07.2019 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	+4	1961	1965	1965	1965	400	-1,190	1280	-2,410
19-Aug	+14	1990	2000	1984	1997	750	-960	7260	+430
19-Sep	+24	2005	2029	2029	2029	0	0	30	0

Spread	July-19	Aug-19	Sep-19
Spot Narella			
19-Jul	35		
19-Aug		32	
19-Sep			32

Stocks	Demat	In-Process	Total	EDD
	12.Jul.19	12.Jul.19	12.Jul.19	08.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33299	0	33299	33247
Baran	-	-	-	-

### Wheat Daily Prices and Arrivals on 13.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jul-19	12-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2040	2035	5
	Narella	Mill Quality Loose	1930	1930	Unch
	Nazafgarh	Mill Quality Loose	1925	1920	5
Gujarat	Rajkot	Mill Delivery	2000	1980	20
	Ahmedabad	Mill Delivery	2070	2080	-10
	Surat	Mill Delivery	2110	2110	Unch
	Dhrol	Mill Quality Loose	1815	1915	-100
M.P.	Indore	Mill Delivery	2040	2035	5
	Bhopal	Mill Quality Loose	1950	1915	35
Rajasthan	Kota	Mill Quality Loose	1860	1860	Unch
		Mill Delivery	1970	1970	Unch
U.P.	Kanpur	Mill Delivery	1960	1950	10
	Mathura	Mill Quality Loose	1830	1840	-10
	Kosi	Mill Quality Loose	1900	1925	-25
	Hathras	Mill Quality Loose	1860	1860	Unch
	Aligarh	Mill Quality Loose	1870	1870	Unch
Punjab	Khanna	Mill Quality Loose	1940	1940	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1940	1940	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1940	1940	Unch
	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	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
			13-Jul-19	12-Jul-19	
Gujarat	Rajkot	Lokwan	2125	2125	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2050	2050	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1930	1930	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jul-19	12-Jul-19	
Delhi	Lawrence Road	Mill Delivery	7000	9000	-2000
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	400	500	-100
	Dhrol	Mill Quality Loose	10	9	1
M.P.	Indore	Mill Quality Loose	10000	10000	Unch
Rajasthan	Kota	Mill Quality	6000	6000	Unch
U.P.	Kanpur	Mill Quality Loose	1000	2500	-1500
	Mathura	Mill Quality Loose	600	1000	-400
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	200	200	Unch
	Aligarh	Mill Quality Loose	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	300	200
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	250	400	-150

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

Wheat Products Delhi	13-Jul-19	12-Jul-19	Change
Atta (50kg) Ordinary	1100	1075	25
Maida Grade 1 (50KG)	1265	1255	10
Suji (50kg)	1250	1220	30
Chokar (50 kg)	825	875	-50
Chokar (34 kg)	561	595	-34
Chakki Atta (50kg)	1200	1205	-5
Chakki Atta (50kg) Special	1225	1230	-5
Chakki Atta (90kg) Superfine	2223	2235	-12
Chakki Atta (50kg) Superfine	1235	1240	-5

Wheat (CBOT) Future Price: 12.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	535.00	538.50	535.00	536.25	Unch
19-Sep	521.50	525.75	516.75	523.00	1.50
19-Dec	532.50	536.50	527.75	535.00	2.25
20-Mar	544.00	548.25	540.00	547.50	2.75
20-May	549.25	553.25	544.75	553.25	2.75
20-Jul	550.75	553.75	546.00	553.00	1.25

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