

Wheat Domestic Fundamentals:

Government has offered 2197850 tonnes of wheat in OMSS until third tender in July'19 out of which 177250 tonnes was sold. No rakes were sold. State government and bulk consumers bought 176700 tonnes and 550 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.

All India weekly average prices decreased by 1.56 percent to Rs. 2019.57 per quintal during the week ended 22nd July 2019. Wheat average price were ruling at Rs 2051.50 per quintal during 09-15 July 2019. As compared to prices in the week 16-22 July 2018, the prices are firm by 7.92 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and good demand in domestic market.

Wheat prices are likely to remain firm in near future with small technical corrections as demand is likely to fall slightly at higher prices. Arrivals in all major states have been declining in past weeks. Domestic availability of wheat is enough to meet emerging demand in the domestic market. Furthermore, no imports due to disparity is also providing support to prices in domestic market. Traders are advised to buy with correction. As of now, mill delivery wheat at Lawrence road is trading in the range of Rs 2100-2120 per quintal.

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 6.13 thousand tonnes in the month of June-2019. The quantity in June-2019 was exported at an average FOB of \$ 375.13 per tonne and the major destinations were Nepal, UAE, Sri Lanka 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, wheat stock in central pool as on 1st July'19 stood at 458.31 lakh tonnes down by 1.57% compared to last month. This quantity is higher by around 9.64% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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:

Egypt's GASC (General Authority for Supply Commodities) has purchased 60000 tonnes of Russian wheat through tender. The said quantity was bought at C&F \$215.54 per tonne. Egypt has purchased around 3.26 MMT of local wheat. Local wheat supply season will end on 15th July.

As per latest update, South Korean flour mill SPC has bought 30000 tonnes of wheat of U.S. and Canadian origin. Of the total quantity around 10000 tonnes is expected to arrive from Canada and 20000 tonnes is expected to arrive from United States. The said quantities are expected to arrive in South Korea between 01st Oct-15th Oct. The prices were not disclosed.

As per latest update by Rosario grain exchange, Argentine farmers are expected to harvest around 21.5 MMT of wheat in 2019-20. Wheat planting area is estimated to be around 6.87 million hectares. The acreage is highest in last eighteen years.

As on 15th July Russia has harvested 28.8 million tonnes of wheat compared to 24.6 million tonnes a year ago for the same date. Around 7.7 million hectares of area has been harvested with an average yield of 3.76 tonnes per hectare compared to 6.3 million hectares with an average yield of 3.88 tonnes per hectare a year ago for same date. Russian wheat with 11.5% protein content is being quoted at FoB \$ 184.00 per tonne.

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.

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

Wheat Futures Contract: NCDEX Price							Date:23.07.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	-19	2081	2082	2065	2065	940	-1,000	8230	-30
19-Sep	-15	2101	2104	2095	2095	1190	-1,430	4110	+780
19-Oct	0	2136	2136	2136	2136	0	0	0	0

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	25		
19-Sep		30	
19-Oct			41

Stocks	Demat	In-Process	Total	EDD
	22.Jul.19	22.Jul.19	22.Jul.19	22.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33519	20	33539	33519
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 23.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jul-19	22-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2115	2115	Unch
	Narella	Mill Quality Loose	2040	2030	10
	Nazafgarh	Mill Quality Loose	2020	2000	20
Gujarat	Rajkot	Mill Delivery	2075	2075	Unch
	Ahmedabad	Mill Delivery	2165	2130	35
	Surat	Mill Delivery	2210	2170	40
	Dhrol	Mill Quality Loose	2060	2160	-100
M.P.	Indore	Mill Delivery	2100	2100	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1930	1930	Unch
		Mill Delivery	2030	2030	Unch
U.P.	Kanpur	Mill Delivery	1990	2040	-50
	Mathura	Mill Quality Loose	1910	1950	-40
	Kosi	Mill Quality Loose	1970	1950	20
	Hathras	Mill Quality Loose	1915	1915	Unch
	Aligarh	Mill Quality Loose	1950	1950	Unch
Punjab	Khanna	Mill Quality Loose	1980	1960	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2030	2020	10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2050	2040	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2350	Unch
	Madurai	Mill Quality	2407	2407	Unch
	Coimbatore	Mill Quality	2407	2407	Unch
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	1915	1915	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jul-19	22-Jul-19	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2425	2425	Unch
	Bhopal	Lokwan	2050	2050	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1950	1950	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jul-19	22-Jul-19	
Delhi	Lawrence Road	Mill Delivery	8000	18000	-10000
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	150	75	75
Gujarat	Rajkot	Mill Quality Loose	500	800	-300
	Dhrol	Mill Quality Loose	11	21	-10
M.P.	Indore	Mill Quality Loose	8000	7000	1000
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	1000	1000	Unch
	Mathura	Mill Quality Loose	1300	400	900
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	350	350	Unch
	Aligarh	Mill Quality Loose	1000	1000	Unch
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(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	400	300	100

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

Wheat Products Delhi	23-Jul-19	22-Jul-19	Change
Atta (50kg) Ordinary	1100	1100	Unch
Maida Grade 1 (50KG)	1265	1265	Unch
Suji (50kg)	1250	1250	Unch
Chokar (50 kg)	825	825	Unch
Chokar (34 kg)	561	561	Unch
Chakki Atta (50kg)	1200	1200	Unch
Chakki Atta (50kg) Special	1225	1225	Unch
Chakki Atta (90kg) Superfine	2223	2223	Unch
Chakki Atta (50kg) Superfine	1225	1225	Unch

Wheat (CBOT) Future Price: 22.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	505.25	505.25	487.00	487.25	-15.25
19-Dec	515.00	515.00	498.50	499.00	-14.50
20-Mar	525.25	526.00	511.00	511.50	-13.75
20-May	527.75	530.25	517.75	518.00	-13.00
20-Jul	532.25	532.25	520.25	520.50	-10.75
20-Sep	532.50	536.75	527.50	528.00	-10.00

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.