

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:

As per SovEcon, Russia is expected to produce 73.7 MMT of wheat compared to their previous forecast of 76.6 MMT. Forecast has been reduced due to unimpressive harvest yields. Until 15th July Russia has harvested 28.8 million tonnes of wheat compared to 24.6 million tonnes a year ago for the same date.

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 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:24.07.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	+1	2062	2071	2062	2071	520	-420	7990	-240
19-Sep	-1	2097	2100	2096	2097	390	-800	4270	+160
19-Oct	0	2126	2126	2126	2126	0	0	0	0

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	31		
19-Sep		26	
19-Oct			29

Stocks	Demat	In-Process	Total	EDD
	23.Jul.19	23.Jul.19	23.Jul.19	22.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33519	20	33539	33519
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 24.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Jul-19	23-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2120	2115	5
	Narella	Mill Quality Loose	Closed	2040	-
	Nazafgarh	Mill Quality Loose	Closed	2020	-
Gujarat	Rajkot	Mill Delivery	2070	2075	-5
	Ahmedabad	Mill Delivery	2150	2165	-15
	Surat	Mill Delivery	2200	2210	-10
	Dhrol	Mill Quality Loose	1960	2060	-100
M.P.	Indore	Mill Delivery	2100	2100	Unch
	Bhopal	Mill Quality Loose	1980	1950	30
Rajasthan	Kota	Mill Quality Loose	1935	1930	5
		Mill Delivery	2035	2030	5
U.P.	Kanpur	Mill Delivery	1990	1990	Unch
	Mathura	Mill Quality Loose	1910	1910	Unch
	Kosi	Mill Quality Loose	1960	1970	-10
	Hathras	Mill Quality Loose	1850	1915	-65
	Aligarh	Mill Quality Loose	Closed	1950	-
Punjab	Khanna	Mill Quality Loose	1960	1980	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2015	2030	-15
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2040	2050	-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	1950	1915	35
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Jul-19	23-Jul-19	
Delhi	Lawrence Road	Mill Delivery	5000	8000	-3000
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	5	11	-6
M.P.	Indore	Mill Quality Loose	8000	8000	Unch
Rajasthan	Kota	Mill Quality	5500	5000	500
U.P.	Kanpur	Mill Quality Loose	1200	1000	200
	Mathura	Mill Quality Loose	500	1300	-800
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	250	350	-100
	Aligarh	Mill Quality Loose	Closed	1000	-
Punjab	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	500	-200
	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	24-Jul-19	23-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: 23.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	487.75	493.50	483.25	487.25	Unch
19-Dec	499.00	505.00	495.00	498.25	-0.75
20-Mar	512.75	517.25	507.75	510.75	-0.75
20-May	519.00	523.25	514.25	517.25	-0.75
20-Jul	522.25	525.50	517.00	519.75	-0.75
20-Sep	531.50	531.75	524.50	527.50	-0.50

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