

Wheat Domestic Fundamentals:

No arrival in Narela and Najafgarh due to heavy rainfall.

FSSAI has introduced +F logo on packets for Rice, Wheat, etc. This logo will help in identifying which products are nutritious. FSSAI has mandated to print +F logo on all staple food products so that all sections of the society receive appropriate nutrition. In case this instruction is not followed, the product will be termed under misbranded and legal action would be taken.

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:

GASC (General Authority for Supply Commodities) has purchased 300000 tonnes of Russia, Ukraine and Romanian wheat through tender. Of the total quantity 120000 tonnes was of Romanian origin, 120000 tonnes was of Ukrainian origin and 60000 tonnes was of Russian origin. Hakan purchased 60000 tonnes of Ukrainian wheat at FoB \$198.80 per tonne, Solaris purchased 60000 tonnes of Russian wheat at FoB \$202.50 per tonne, Ameropa purchased 120000 tonnes of Romanian wheat at FoB \$203.60 per tonne, Louis-Dreyfus purchased 60000 tonnes of Ukrainian wheat at FoB \$201.60 per tonne. Egypt is the largest importer of wheat and imports around 11-12 MMT of wheat every year.

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.

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:25.07.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	+4	2068	2074	2072	2072	140	-380	7990	0
19-Sep	-2	2099	2102	2095	2097	300	-90	4480	+210
19-Oct	0	2130	2130	2130	2130	0	0	0	0

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	-		
19-Sep		-	
19-Oct			-

Stocks	Demat	In-Process	Total	EDD
	24.Jul.19	24.Jul.19	24.Jul.19	22.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33519	20	33539	33519
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 25.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jul-19	24-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2130	2120	10
	Narella	Mill Quality Loose	NA	Closed	-
	Nazafgarh	Mill Quality Loose	NA	Closed	-
Gujarat	Rajkot	Mill Delivery	2060	2070	-10
	Ahmedabad	Mill Delivery	2160	2150	10
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	1960	1960	Unch
M.P.	Indore	Mill Delivery	2100	2100	Unch
	Bhopal	Mill Quality Loose	1980	1980	Unch
Rajasthan	Kota	Mill Quality Loose	1925	1935	-10
		Mill Delivery	2020	2035	-15
U.P.	Kanpur	Mill Delivery	2060	1990	70
	Mathura	Mill Quality Loose	1900	1910	-10
	Kosi	Mill Quality Loose	1970	1960	10
	Hathras	Mill Quality Loose	1910	1850	60
	Aligarh	Mill Quality Loose	1960	Closed	-
Punjab	Khanna	Mill Quality Loose	1970	1960	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2020	2015	5
	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	2300	2350	-50
	Madurai	Mill Quality	2357	2407	-50
	Coimbatore	Mill Quality	2357	2407	-50
Bihar	Khagariya	Mill Delivery	2100	2100	Unch
	Muzaffarpur	Mill Delivery	1950	1950	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jul-19	24-Jul-19	
Gujarat	Rajkot	Lokwan	2125	2150	-25
M.P.	Indore	Lokwan	2425	2425	Unch
	Bhopal	Lokwan	2050	2050	Unch
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1950	1950	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Jul-19	24-Jul-19	
Delhi	Lawrence Road	Mill Delivery	8000	5000	3000
	Narella	Mill Quality Loose	NA	Closed	-
	Nazafgarh	Mill Quality Loose	NA	Closed	-
Gujarat	Rajkot	Mill Quality Loose	500	700	-200
	Dhrol	Mill Quality Loose	13	5	8
M.P.	Indore	Mill Quality Loose	6000	8000	-2000
Rajasthan	Kota	Mill Quality	2500	5500	-3000
U.P.	Kanpur	Mill Quality Loose	1000	1200	-200
	Mathura	Mill Quality Loose	500	500	Unch
	Kosi	Mill Quality Loose	200	400	-200
	Hathras	Mill Quality Loose	50	250	-200
	Aligarh	Mill Quality Loose	1500	Closed	-
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	100	300	-200

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

Wheat Products Delhi	25-Jul-19	24-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: 24.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	487.25	498.75	487.25	497.75	10.50
19-Dec	498.25	508.00	498.25	506.75	8.50
20-Mar	510.75	519.50	510.75	518.50	7.75
20-May	518.25	525.50	518.00	524.75	7.50
20-Jul	520.00	527.50	520.00	526.50	6.75
20-Sep	527.50	534.00	527.50	533.50	6.00

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