

Wheat Domestic Fundamentals:

As per latest update, roller flour mills in Punjab are facing a supply shortage even after bumper production as well as procurement in Punjab. According to Punjab Mandi Board, around 70-75 percent of wheat in the state is procured by procurement agencies. Due to luster loss this year, wheat sold by FCI is not fit for making Maida but can be used for making Aata. Therefore millers in Punjab are dependent on wheat supply from Uttar Pradesh. However that too has stopped due to better prices of wheat in Uttar Pradesh itself. Millers have met FCI official and asked for supply of wheat from August 15. FCI official have said, "We are working on it, this is not an issue which cannot be sorted out".

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.

International Market Update:

IGC has forecasted global wheat production to be 763 MMT for 2019-20. According to estimate by IGC for 2018-19, global wheat production was around 733 MMT against 761 MMT for 2015-16. The forecast for global production is lower by 30 MMT compared to forecast for 2018-19. In its latest forecast IGC has reduced wheat production for 2019-20. Prices have moved up as IGC has reduced production forecast however; firmness in prices will be limited by good carryover stocks.

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 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:26.07.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	1	2070	2075	2070	2074	830	690	7260	-730
19-Sep	1	2097	2103	2097	2101	970	670	5280	800
19-Oct	0	2127	2127	2127	2127	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
	25.Jul.19	25.Jul.19	25.Jul.19	22.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33519	40	33559	33519
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 26.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Jul-19	25-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2150	2130	20
	Narella	Mill Quality Loose	NA	NA	-
	Nazafgarh	Mill Quality Loose	2040	NA	-
Gujarat	Rajkot	Mill Delivery	2070	2060	10
	Ahmedabad	Mill Delivery	2150	2160	-10
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	2060	1960	100
M.P.	Indore	Mill Delivery	2110	2100	10
	Bhopal	Mill Quality Loose	1970	1980	-10
Rajasthan	Kota	Mill Quality Loose	1925	1925	Unch
		Mill Delivery	2020	2020	Unch
U.P.	Kanpur	Mill Delivery	2065	2060	5
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	1970	1970	Unch
	Hathras	Mill Quality Loose	1910	1910	Unch
	Aligarh	Mill Quality Loose	1960	1960	Unch
Punjab	Khanna	Mill Quality Loose	1960	1970	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2025	2020	5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2050	2050	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	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
			26-Jul-19	25-Jul-19	
Gujarat	Rajkot	Lokwan	2125	2125	Unch
M.P.	Indore	Lokwan	2425	2425	Unch
	Bhopal	Lokwan	2100	2050	50
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1925	1950	-25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Jul-19	25-Jul-19	
Delhi	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	NA	NA	-
	Nazafgarh	Mill Quality Loose	200	NA	-
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	1	13	-12
M.P.	Indore	Mill Quality Loose	7000	6000	1000
Rajasthan	Kota	Mill Quality	3000	2500	500
U.P.	Kanpur	Mill Quality Loose	800	1000	-200
	Mathura	Mill Quality Loose	500	500	Unch
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	50	50	Unch
	Aligarh	Mill Quality Loose	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	NA	50	-
	Bhiwani	Mill Quality Loose	400	100	300

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

Wheat Products Delhi	26-Jul-19	25-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: 25.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	497.75	507.50	492.25	499.50	1.75
19-Dec	505.00	515.00	500.75	507.25	0.50
20-Mar	516.50	524.75	512.00	518.25	-0.25
20-May	523.25	530.00	518.50	523.75	-1.00
20-Jul	524.75	531.00	519.75	525.00	-1.50
20-Sep	528.00	537.25	527.75	532.00	-1.50

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