

**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:**

**China has approved wheat imports from kurgan region of Russia.** This will bring Russia a step closer in remaining the leader in wheat exports. Russia is aiming to increase its export of wheat to 55.9 MMT by 2035. Russia is planning to export a total of 41.9 MMT of wheat in 2019-20.

**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.

**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	+2	2070	2075	2070	2075	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	25		
19-Sep		26	
19-Oct			26

Stocks	Demat	In-Process	Total	EDD
	26.Jul.19	26.Jul.19	26.Jul.19	22.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33519	40	33559	33519
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 27.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Jul-19	26-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2170	2150	20
	Narella	Mill Quality Loose	2050	NA	-
	Nazafgarh	Mill Quality Loose	2050	2040	10
Gujarat	Rajkot	Mill Delivery	2070	2070	Unch
	Ahmedabad	Mill Delivery	2150	2150	Unch
	Surat	Mill Delivery	2200	2200	Unch
	Dhrol	Mill Quality Loose	2070	2060	10
M.P.	Indore	Mill Delivery	2110	2110	Unch
	Bhopal	Mill Quality Loose	1980	1970	10
Rajasthan	Kota	Mill Quality Loose	1930	1925	5
		Mill Delivery	2030	2020	10
U.P.	Kanpur	Mill Delivery	2065	2065	Unch
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	2000	1970	30
	Hathras	Mill Quality Loose	1910	1910	Unch
	Aligarh	Mill Quality Loose	1950	1960	-10
Punjab	Khanna	Mill Quality Loose	1960	1960	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2030	2025	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
			27-Jul-19	26-Jul-19	
Gujarat	Rajkot	Lokwan	2125	2125	Unch
M.P.	Indore	Lokwan	2425	2425	Unch
	Bhopal	Lokwan	2050	2100	-50
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1925	1925	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Jul-19	26-Jul-19	
Delhi	Lawrence Road	Mill Delivery	6500	8000	-1500
	Narella	Mill Quality Loose	400	NA	-
	Nazafgarh	Mill Quality Loose	30	200	-170
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	14	1	13
M.P.	Indore	Mill Quality Loose	8000	7000	1000
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	500	800	-300
	Mathura	Mill Quality Loose	400	500	-100
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	50	50	Unch
	Aligarh	Mill Quality Loose	800	1500	-700
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	300	100
	Hodal	Mill Quality Loose	30	NA	-
	Bhiwani	Mill Quality Loose	NA	400	-

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

Wheat Products Delhi	27-Jul-19	26-Jul-19	Change
Atta (50kg) Ordinary	1150	1100	50
Maida Grade 1 (50KG)	1300	1265	35
Suji (50kg)	1290	1250	40
Chokar (50 kg)	830	825	5
Chokar (34 kg)	564	561	3
Chakki Atta (50kg)	1250	1200	50
Chakki Atta (50kg) Special	1275	1225	50
Chakki Atta (90kg) Superfine	2313	2223	90
Chakki Atta (50kg) Superfine	1285	1225	60

Wheat (CBOT) Future Price: 26.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	499.50	500.25	493.50	496.00	-3.50
19-Dec	507.00	507.75	501.25	504.25	-3.00
20-Mar	518.00	518.00	512.25	515.25	-3.00
20-May	522.50	522.50	519.25	520.50	-3.25
20-Jul	524.75	525.00	519.75	521.25	-3.75
20-Sep	530.50	530.50	527.25	527.75	-4.25

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