

Wheat Domestic Fundamentals:

India mainly imports from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$349.30 (Rs 24024.85) per tonne and \$450.52 (Rs 30986.77) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai is ruling around Rs 23000 per tonne. Therefore, as of now, there is no parity for wheat imports.

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.

International Market Update:

Bangladesh has emerged as one of the largest wheat importers in world. Bangladesh has imported 5.00 MMT of wheat in 2018-19 and is expected to import around 6.50 MMT in 2019-20. Domestic production in Bangladesh has reduced to 1.3 MMT in 2018 compared to 1.9 MMT in 1998. The main reasons for fall in production are climate change, land scarcity and disease infestation. The strong demand for wheat reflects a shift in consumer preferences towards bread as well as increasing use of wheat as a substitute for more expensive rice by Bangladesh's growing population.

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.

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:30.07.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	+13	2070	2083	2070	2083	1260	+380	5550	-980
19-Sep	+6	2100	2107	2100	2106	1420	+580	7320	+1300
19-Oct	0	2130	2130	2130	2130	0	0	0	0

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	33		
19-Sep		23	
19-Oct			24

Stocks	Demat	In-Process	Total	EDD
	29.Jul.19	29.Jul.19	29.Jul.19	29.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33559	40	33599	33559
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 30.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Jul-19	29-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2155	2160	-5
	Narella	Mill Quality Loose	2050	2050	Unch
	Nazafgarh	Mill Quality Loose	2040	2030	10
Gujarat	Rajkot	Mill Delivery	Closed	2040	-
	Ahmedabad	Mill Delivery	Closed	2135	-
	Surat	Mill Delivery	Closed	2190	-
	Dhrol	Mill Quality Loose	Closed	NR	-
M.P.	Indore	Mill Delivery	2120	2120	Unch
	Bhopal	Mill Quality Loose	NA	1980	-
Rajasthan	Kota	Mill Quality Loose	1950	1970	-20
		Mill Delivery	2050	2030	20
U.P.	Kanpur	Mill Delivery	2100	2070	30
	Mathura	Mill Quality Loose	1945	1905	40
	Kosi	Mill Quality Loose	1960	1960	Unch
	Hathras	Mill Quality Loose	1960	1860	100
	Aligarh	Mill Quality Loose	1950	1950	Unch
Punjab	Khanna	Mill Quality Loose	1975	1975	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2035	2035	Unch
	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	2300	2350	-50
	Madurai	Mill Quality	2357	2407	-50
	Coimbatore	Mill Quality	2357	2407	-50
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Jul-19	29-Jul-19	
Gujarat	Rajkot	Lokwan	Closed	2100	-
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	NA	2050	-
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1930	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Jul-19	29-Jul-19	
Delhi	Lawrence Road	Mill Delivery	5500	9000	-3500
	Narella	Mill Quality Loose	150	200	-50
	Nazafgarh	Mill Quality Loose	100	200	-100
Gujarat	Rajkot	Mill Quality Loose	Closed	500	-
	Dhrol	Mill Quality Loose	Closed	NR	-
M.P.	Indore	Mill Quality Loose	8000	6000	2000
Rajasthan	Kota	Mill Quality	3000	2500	500
U.P.	Kanpur	Mill Quality Loose	700	800	-100
	Mathura	Mill Quality Loose	600	700	-100
	Kosi	Mill Quality Loose	500	400	100
	Hathras	Mill Quality Loose	1100	200	900
	Aligarh	Mill Quality Loose	1000	1000	Unch
Punjab	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	300	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	500	300	200

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

Wheat Products Delhi	30-Jul-19	29-Jul-19	Change
Atta (50kg) Ordinary	1150	1150	Unch
Maida Grade 1 (50KG)	1300	1300	Unch
Suji (50kg)	1290	1290	Unch
Chokar (50 kg)	830	830	Unch
Chokar (34 kg)	564	564	Unch
Chakki Atta (50kg)	1250	1250	Unch
Chakki Atta (50kg) Special	1275	1275	Unch
Chakki Atta (90kg) Superfine	2313	2313	Unch
Chakki Atta (50kg) Superfine	1285	1285	Unch

Wheat (CBOT) Future Price: 29.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	495.25	507.25	492.50	503.50	7.50
19-Dec	503.00	512.50	501.00	508.50	4.25
20-Mar	512.00	522.50	512.00	518.00	2.75
20-May	517.75	527.00	517.75	523.25	2.75
20-Jul	521.00	528.50	519.00	524.75	3.50
20-Sep	525.75	534.75	525.75	531.00	3.25

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