

**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 will buy 100000 MT of wheat from Russia. Bangladesh will pay around \$267.30 per tonne including cost, insurance, freight and port related expenses.** Prodimtorg, a Russian state firm, will supply around 52000 MT of wheat in first batch of shipment which is likely to arrive during first week of August. The strong demand for wheat is due to a shift in consumer preferences towards bread. Furthermore, increased use of wheat as a substitute for more expensive rice by Bangladesh's growing population has also intensified demand.

**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:31.07.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	-4	2082	2084	2073	2073	120	-1,140	5510	-40
19-Sep	6	2105	2111	2105	2111	400	-1,020	7680	360
19-Oct	0	2133	2133	2133	2133	0	0	0	0

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	23		
19-Sep		38	
19-Oct			22

Stocks	Demat	In-Process	Total	EDD
	30.Jul.19	30.Jul.19	30.Jul.19	29.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33559	40	33599	33559
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 31.07.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Jul-19	30-Jul-19	
Delhi	Lawrence Road	Mill Delivery	2150	2155	-5
	Narella	Mill Quality Loose	Closed	2050	-
	Nazafgarh	Mill Quality Loose	Closed	2040	-
Gujarat	Rajkot	Mill Delivery	2040	Closed	-
	Ahmedabad	Mill Delivery	2150	Closed	-
	Surat	Mill Delivery	2190	Closed	-
	Dhrol	Mill Quality Loose	1825	Closed	-
M.P.	Indore	Mill Delivery	2130	2120	10
	Bhopal	Mill Quality Loose	1980	NA	-
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2050	10
U.P.	Kanpur	Mill Delivery	2015	2100	-85
	Mathura	Mill Quality Loose	1940	1945	-5
	Kosi	Mill Quality Loose	1950	1960	-10
	Hathras	Mill Quality Loose	1915	1960	-45
	Aligarh	Mill Quality Loose	Closed	1950	-
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	2050	2040	10
	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	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-Jul-19	30-Jul-19	
Gujarat	Rajkot	Lokwan	2125	Closed	-
M.P.	Indore	Lokwan	2400	2300	100
	Bhopal	Lokwan	2050	NA	-
	Bina	Sarbati 306	Closed	2300	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1890	1930	-40

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-Jul-19	30-Jul-19	
Delhi	Lawrence Road	Mill Delivery	12000	5500	6500
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	700	Closed	-
	Dhrol	Mill Quality Loose	3	Closed	-
M.P.	Indore	Mill Quality Loose	4000	8000	-4000
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	700	700	Unch
	Mathura	Mill Quality Loose	250	600	-350
	Kosi	Mill Quality Loose	400	500	-100
	Hathras	Mill Quality Loose	300	1100	-800
	Aligarh	Mill Quality Loose	Closed	1000	-
Punjab	Khanna	Mill Quality Loose	500	400	100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	400	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	600	500	100

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

Wheat Products Delhi	31-Jul-19	30-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: 30.07.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	502.25	503.25	495.00	497.25	-6.25
19-Dec	507.50	508.50	501.00	503.00	-5.50
20-Mar	518.00	518.00	510.75	512.50	-5.50
20-May	522.00	522.00	516.50	518.00	-5.25
20-Jul	524.00	524.25	519.25	520.25	-4.50
20-Sep	527.00	529.00	526.00	526.75	-4.25

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