

Wheat Domestic Fundamentals:

All India weekly average prices increased by 5.07 percent to Rs. 2121.87 per quintal during the week ended 31st July 2019. Wheat average price were ruling at Rs 2019.57 per quintal during 16-23 July 2019. As compared to prices in the week 24-31 July 2018, the prices are firm by 10.03 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 market is likely to trade steady to firm due to good demand from millers and lower arrivals in all major wheat producing states. However small technical corrections can be expected. 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 2140-2150 per quintal.

India has huge stockpiles of wheat. However India is not able to export wheat due to huge price difference. Neighboring country like Bangladesh has approved a purchase of 1 LMT from Russia at \$267.30 per tonne including cost, insurance, freight and port related expenses. Whereas Wheat mill delivery price in Indore is hovering around \$309 per tonne.

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.

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:

Algeria state grains agency OAIC has bought around 570000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid was around \$215.50 per tonne (Cost and Freight). Most of the quantity is expected to be sourced from France. Algeria does not disclose the results of its tenders and purchase reports are based on trade assessments.

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.

Outlook: Cash market is likely to trade steady to firm in the near term.

Wheat Futures Contract: NCDEX Price							Date:02.08.2019 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Aug	-2	2075	2075	2070	2073	180	0	5290	-100
19-Sep	-6	2106	2103	2096	2100	30	-280	7930	-10
19-Oct	-7	2147	2140	2139	2140	50	30	60	50

Spread	Aug-19	Sep-19	Oct-19
Spot Narella			
19-Aug	23		
19-Sep		27	
19-Oct			40

Stocks	Demat	In-Process	Total	EDD
	02.Aug.19	02.Aug.19	02.Aug.19	29.Jul.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	33599	0	33599	33559
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 03.08.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Aug-19	2-Aug-19	
Delhi	Lawrence Road	Mill Delivery	2150	2150	Unch
	Narella	Mill Quality Loose	2050	2050	Unch
	Nazafgarh	Mill Quality Loose	2010	2005	5
Gujarat	Rajkot	Mill Delivery	2070	2070	Unch
	Ahmedabad	Mill Delivery	2180	2190	-10
	Surat	Mill Delivery	2230	2235	-5
	Dhrol	Mill Quality Loose	1990	1890	100
M.P.	Indore	Mill Delivery	2125	2135	-10
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	1950	1950	Unch
		Mill Delivery	2060	2060	Unch
U.P.	Kanpur	Mill Delivery	2085	2070	15
	Mathura	Mill Quality Loose	1950	1950	Unch
	Kosi	Mill Quality Loose	1960	1960	Unch
	Hathras	Mill Quality Loose	1910	1940	-30
	Aligarh	Mill Quality Loose	1955	1950	5
Punjab	Khanna	Mill Quality Loose	1970	1960	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	2035	2035	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	2050	2030	20
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	2400	Unch
	Madurai	Mill Quality	2457	2457	Unch
	Coimbatore	Mill Quality	2457	2457	Unch
Bihar	Khagariya	Mill Delivery	2000	2000	Unch
	Muzaffarpur	Mill Delivery	2000	2000	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Aug-19	2-Aug-19	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2400	2400	Unch
	Bhopal	Lokwan	2100	2050	50
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	Closed	1900	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-Aug-19	2-Aug-19	
Delhi	Lawrence Road	Mill Delivery	9000	10000	-1000
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	150	300	-150
Gujarat	Rajkot	Mill Quality Loose	700	500	200
	Dhrol	Mill Quality Loose	10	2	8
M.P.	Indore	Mill Quality Loose	6000	8500	-2500
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	1200	1000	200
	Mathura	Mill Quality Loose	400	600	-200
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	200	300	-100
	Aligarh	Mill Quality Loose	1200	700	500
Punjab	Khanna	Mill Quality Loose	400	500	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	500	-200
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	200	200

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

Wheat Products Delhi	3-Aug-19	2-Aug-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: 02.08.2019					
Contract Month	Open	High	Low	Close	Change
19-Sep	479.25	491.50	476.00	490.75	15.00
19-Dec	484.00	492.50	480.50	491.50	10.75
20-Mar	493.75	501.00	491.25	500.50	8.75
20-May	501.50	506.50	497.75	506.00	8.25
20-Jul	502.75	510.50	501.25	510.00	9.00
20-Sep	510.25	518.00	509.50	517.25	8.25

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