

Wheat Domestic Fundamentals:

Wheat cash market recovered slightly due to poor arrivals in markets and active buying by mills. Any major jump in wheat market is unlikely as govt. has enough stock to take care of lean season demand, starting from July. Festive demand for wheat products starts from July. Govt. starts open sale from July through bidding process and having reserve price for the states.

All India weekly average prices decreased by 1.53 percent to Rs. 2003.76 per quintal during the week ended 15th June 2019. Wheat average price were ruling at Rs 2034.91 per quintal during 01-18 June 2019. As compared to prices in the week 09-15 June 2018, the prices are firm by 0.43 percent. Prices are expected to remain steady to slightly in coming days due to hike in import duty and good demand in domestic market.

India mainly imports wheat from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality. As of now, Australian standard wheat (ASW) and Australian premium wheat (APW) is being quoted at \$444.48 (Rs 31964.52) per tonne and \$458.01 (Rs 31964.52) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 22500 per tonne and Rs 23000 per tonne respectively.

Wheat WPI has decreased from 151.5 in April-2019 to 150.7 in May-2019. Monthly wheat inflation has decreased by 0.53 percent in May-2019 compared to previous month. As compared to May-2018 wheat WPI has increased by around 6.35 percent. Wheat WPI is expected to stay steady to firm in coming month.

Wheat prices remained firm in past days due to hike in import duty, low arrivals and good demand in domestic market. Ample stock is available in the domestic market to meet demand. Furthermore, government will sell at a reserve price of Rs 2080 per quintal during the first quarter in open market. Prices are expected to remain steady to firm in coming weeks.

As per market sources, wheat stock in central pool as on 1st June'19 stood at 465.60 lakh tonnes up by 40.41% compared to last month. This quantity is higher by around 6.41% 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.

Government agencies have started procurement. Until 07th June'19 government has procured around 338.21 lakh tonnes of wheat. Of the total quantity procured, around 129.12 lakh tonnes have been procured from Punjab, 93.20 lakh tonnes from Haryana, 34.62 lakh tonnes from Uttar Pradesh, 67.25 lakh tonnes from Madhya Pradesh, 0.02 lakh tonnes from Bihar, 13.40 lakh tonnes from Rajasthan, 0.42 lakh tonnes from Uttrakhand, 0.12 lakh tonnes from Chandigarh, 0.05 lakh tonnes from Gujarat and 0.01 lakh tonnes from Himachal Pradesh. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

As per trade sources, after increase in import duty to 40 percent imports have decreased substantially. India has imported 498.77 MT of Australia prime hard wheat at Tuticorin port in the month of April-19. Imports are expected to be low this year due to good domestic availability and increase in import duty. Prior to this, India has imported around 1000 tonnes in the month of September-2018.

As per trade source, India has exported around 5.57 thousand tonnes in the month of April-2019. The quantity in April-2019 was exported at an average FOB of \$ 388.15 per tonne and the major destinations were Nepal, UAE and Sri Lanka. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

International Market Update:

GASC has purchased 120000 tonnes of Russian and Romanian wheat through tender. Of the total quantity 60000 tonnes has been sourced from Russia and 60000 tonnes has been sourced from Romania. Cofco offered 60000 tonnes of Romanian wheat at FoB \$197.49 per tonne and Aston offered 60000 tonnes of Russian wheat at FoB \$196.90 per tonne.

SovEcon has cut Russia's wheat production forecast for 2019 to 82.2 MMT compared to previous forecast of 82.6 MMT. Production forecast has been reduced due to low soil moisture in several regions in Russia.

As per latest update, ABARES has reduced wheat production forecast for Australia by 11% to 21.2 MMT from its previous forecast of 23.9 MMT. The forecast is lower by 14% compared to 10-year average of 24.7 MMT. Australia has already agreed to import 50000-60000 MT of wheat from Canada in upcoming weeks. In case of third consecutive lower production, Australia may be seen importing more wheat.

As per latest update, Japan's ministry of agriculture bought 77042 MT of food quality wheat from United States and Australia. Around 58157 MT has been bought from United States and 18885 MT of standard white wheat has been bought from west Australia. Shipments from United States and Australia will be loaded between Aug 01 and Aug 31, 2019.

Wheat Futures Contact: NCDEX Price							Date:19.06.2019 at 5:00 PM		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-Jul	-5	1962	1962	1960	1960	60	-1790	8070	10
19-Aug	-13	2002	2003	1990	2003	10	10	100	10
19-Sep	0	2044	2044	1944	2044	00	-10	90	00

Spread	Jul-19	Aug-19	Sep-19
Spot Narella			
19-Jul	closed		
19-Aug		30	
19-Sep			54

Stocks	Demat	In-Process	Total	EDD
	18.Jun.19	18.Jun.19	18.Jun.19	17.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	31164	812	31976	31164
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 19.06.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Jun-19	18-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2020	2015	5
	Narella	Mill Quality Loose	Closed	1940	-
	Nazafgarh	Mill Quality Loose	Closed	1925	-
Gujarat	Rajkot	Mill Delivery	1940	1935	5
	Ahmedabad	Mill Delivery	2030	2025	5
	Surat	Mill Delivery	2080	2080	Unch
	Dhrol	Mill Quality Loose	2000	2100	-100
M.P.	Indore	Mill Delivery	1965	1965	Unch
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1830	1825	5
		Mill Delivery	1920	1915	5
U.P.	Kanpur	Mill Delivery	1925	1925	Unch
	Mathura	Mill Quality Loose	1865	1830	35
	Kosi	Mill Quality Loose	1950	1950	Unch
	Hathras	Mill Quality Loose	1880	1900	-20
	Aligarh	Mill Quality Loose	Closed	1860	-
Punjab	Khanna	Mill Quality Loose	1885	1880	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1900	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1900	1860	40
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2300	50
	Madurai	Mill Quality	2407	2357	50
	Coimbatore	Mill Quality	2407	2357	50
Bihar	Khagariya	Mill Delivery	1850	1900	-50
	Muzaffarpur	Mill Delivery	1825	1825	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Jun-19	18-Jun-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	Closed	2700	-
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1900	1900	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Jun-19	18-Jun-19	
Delhi	Lawrence Road	Mill Delivery	8000	6500	1500
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	30	-
Gujarat	Rajkot	Mill Quality Loose	600	500	100
	Dhrol	Mill Quality Loose	24	36	-12
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	4000	15000	-11000
U.P.	Kanpur	Mill Quality Loose	5000	6000	-1000
	Mathura	Mill Quality Loose	300	1000	-700
	Kosi	Mill Quality Loose	360	20	340
	Hathras	Mill Quality Loose	400	350	50
	Aligarh	Mill Quality Loose	Closed	2000	-
Punjab	Khanna	Mill Quality Loose	2000	3000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	600	300	300

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

Wheat Products Delhi	19-Jun-19	18-Jun-19	Change
Atta (50kg) Ordinary	1055	1055	Unch
Maida Grade 1 (50KG)	1295	1295	Unch
Suji (50kg)	1210	1210	Unch
Chokar (50 kg)	890	890	Unch
Chokar (34 kg)	605	605	Unch
Chakki Atta (50kg)	1200	1200	Unch
Chakki Atta (50kg) Special	1225	1225	Unch
Chakki Atta (90kg) Superfine	2230	2230	Unch
Chakki Atta (50kg) Superfine	1235	1235	Unch

Wheat (CBOT) Future Price: 18.06.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	539.75	541.00	525.25	531.50	-8.00
19-Sep	542.75	544.25	528.00	535.50	-7.25
19-Dec	555.50	556.00	539.75	546.75	-7.25
20-Mar	565.75	566.50	551.25	558.25	-6.00
20-May	566.25	566.25	554.75	562.25	-5.25
20-Jul	560.00	561.50	552.25	560.75	-3.50

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