

### Wheat Domestic Fundamentals:

**Government agencies have started procurement. Until 24<sup>th</sup> June'19 government has procured around 341.15 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, 36.87 lakh tonnes from Uttar Pradesh, 67.25 lakh tonnes from Madhya Pradesh, 0.03 lakh tonnes from Bihar, 14.02 lakh tonnes from Rajasthan, 0.42 lakh tonnes from Uttarakhand, 0.13 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 357.0 LMT.

**All India weekly average prices increased by 3.08 percent to Rs. 2065.56 per quintal** during the week ended 23rd June 2019. Wheat average price were ruling at Rs 2003.76 per quintal during 09-15 June 2019. As compared to prices in the week 16-23 June 2018, the prices are firm by 3.21 percent. Prices are expected to remain steady to slightly in coming days due to hike in import duty and good demand in domestic market.

**Wheat prices are likely to remain steady to slightly firm in coming weeks due to low demand in domestic market.** Due to higher reserve price of Rs 2080 per quintal, millers/traders have bought as much as wheat they could during arrival season. Stock with traders/millers is the main reason for lower off take through open market sales scheme in domestic market. Prices are likely to move up as soon as the stock with traders/millers diminishes.

**Government has offered 10238931 tonnes of wheat in OMSS until second tender in June'19 out of which 85100 tonnes was sold.** No rakes were sold. State government and bulk consumers bought 84600 tonnes and 500 tonnes of wheat respectively. In the month of May'19, government has sold 55100 tonnes of wheat against offered quantity of 5303081 tonnes. Government will sell 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.

**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.

**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.

**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:

**Taiwan flour mills association has bought 83200 tonnes of milling wheat from united states.** Of the total quantity, 20700 tonnes of U.S. dark northern spring wheat of 14.5 percent protein content was bought at FOB \$234.13 per tonne from CHS, 12850 tonnes of hard red winter wheat of 12.5 percent protein content was bought at FoB \$236.31 per tonne from United grain corp and 5875 tonnes of soft white wheat with 9 percent protein was bought at FoB \$225.19 per tonne from CHS.

**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.

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

Wheat Futures Contact: NCDEX Price							Date:25.06.2019 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	-2	1972	1973	1956	1963	160	-480	8210	10
19-Aug	2	1985	1993	1985	1993	90	-320	610	90
19-Sep	0	2029	2029	2029	2029	0	0	30	0

Spread	July-19	Aug-19	Sep-19
Spot Narella			
19-Jul	23		
19-Aug		30	
19-Sep			36

Stocks	Demat	In-Process	Total	EDD
	24.Jun.19	24.Jun.19	24.Jun.19	24.Jun.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	32041	480	32521	32022
Baran	-	-	-	-

**Wheat Daily Prices and Arrivals on 25.06.2019**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jun-19	24-Jun-19	
Delhi	Lawrence Road	Mill Delivery	2025	2020	5
	Narella	Mill Quality Loose	1940	1950	-10
	Nazafgarh	Mill Quality Loose	1925	1925	Unch
Gujarat	Rajkot	Mill Delivery	1940	1940	Unch
	Ahmedabad	Mill Delivery	2020	2020	Unch
	Surat	Mill Delivery	2065	2060	5
	Dhrol	Mill Quality Loose	2050	2160	-110
M.P.	Indore	Mill Delivery	1965	1965	Unch
	Bhopal	Mill Quality Loose	1825	1825	Unch
Rajasthan	Kota	Mill Quality Loose	1800	1800	Unch
		Mill Delivery	1930	1930	Unch
U.P.	Kanpur	Mill Delivery	1930	1930	Unch
	Mathura	Mill Quality Loose	1800	1800	Unch
	Kosi	Mill Quality Loose	1940	1940	Unch
	Hathras	Mill Quality Loose	1825	1820	5
	Aligarh	Mill Quality Loose	1860	1860	Unch
Punjab	Khanna	Mill Quality Loose	1890	1930	-40
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1905	1905	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1920	1910	<b>10</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2300	2300	<b>Unch</b>
	Madurai	Mill Quality	2357	2357	<b>Unch</b>
	Coimbatore	Mill Quality	2357	2357	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1900	1900	<b>Unch</b>
	Muzaffarpur	Mill Delivery	1830	1830	<b>Unch</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jun-19	24-Jun-19	
<b>Gujarat</b>	Rajkot	Lokwan	2125	2100	<b>25</b>
<b>M.P.</b>	Indore	Lokwan	2300	2300	<b>Unch</b>
	Bhopal	Lokwan	1875	1875	<b>Unch</b>
	Bina	Sarbati 306	2500	2500	<b>Unch</b>
<b>Rajasthan</b>	Kota	Lokwan Bilty	2100	2100	<b>Unch</b>
	Baran	Lokwan	1900	1900	<b>Unch</b>

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Jun-19	24-Jun-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	7000	8500	<b>-1500</b>
	Narella	Mill Quality Loose	300	500	<b>-200</b>
	Nazafgarh	Mill Quality Loose	100	200	<b>-100</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	700	700	<b>Unch</b>
	Dhrol	Mill Quality Loose	17	37	<b>-20</b>
<b>M.P.</b>	Indore	Mill Quality Loose	8000	8000	<b>Unch</b>
<b>Rajasthan</b>	Kota	Mill Quality	12000	12000	<b>Unch</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	5000	6000	<b>-1000</b>
	Mathura	Mill Quality Loose	2000	500	<b>1500</b>
	Kosi	Mill Quality Loose	400	400	<b>Unch</b>
	Hathras	Mill Quality Loose	450	1200	<b>-750</b>
	Aligarh	Mill Quality Loose	2000	1200	<b>800</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	2000	2000	<b>Unch</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	400	500	<b>-100</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Bhiwani	Mill Quality Loose	400	300	<b>100</b>

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

Wheat Products Delhi	25-Jun-19	24-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: 24.06.2019					
Contract Month	Open	High	Low	Close	Change
<b>19-Jul</b>	526.00	540.00	522.25	538.00	<b>12.00</b>
<b>19-Sep</b>	530.75	544.75	526.75	542.50	<b>11.75</b>
<b>19-Dec</b>	541.50	553.75	537.50	552.50	<b>11.00</b>
<b>20-Mar</b>	551.00	562.50	548.25	562.25	<b>10.50</b>
<b>20-May</b>	553.25	564.50	551.25	564.25	<b>10.25</b>
<b>20-Jul</b>	548.25	559.00	547.75	558.75	<b>8.25</b>

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