

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 04th May'18 government has procured around 287.78 lakh tonnes of wheat. Of the total quantity procured, around 119.37 lakh tonnes have been procured from Punjab, 82.63 lakh tonnes from Haryana, 21.83 lakh tonnes from Uttar Pradesh, 52.71 lakh tonnes have been procured from Madhya Pradesh, 10.39 in Rajasthan, 0.41 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh and 0.30 lakh tonnes from Gujarat. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT. Government can easily achieve its procurement target this year.

All India average monthly prices for wheat increased by 1.10 percent from Rs 1804.14 (in March -2018) to Rs 1823.95 per qtl in April-2018. Average price (April) is higher by 1.31 percent compared to price (Rs 1800.32 per qtl.) registered in April - 2017. Prices are expected to trade range bound with firm bias.

As per latest update, rains in Punjab yesterday left wheat bags drenched in grain market. However such rain is only harmful when it leads to water logging and wheat bags remain wet. Traders said water cleared out after rain stopped and sunny weather the following day helped in drying the drenched bags.

As per latest update, Punjab has procured around 11564899 tonnes of wheat until 30th April. Of this quantity, government has procured 11523341 tonnes and millers have procured 41558 tonnes. PUNGRAIN had procured 2662006 MT, MARKFED had procured 2557011 MT, PUNSUP had procured 2238988 MT, Warehouse Corporation had procured 1586044 MT, Punjab Agro had procured 1151689 MT and FCI had procured 1327603 MT of wheat. Around 2LMT of wheat is arriving everyday in Punjab Mandis. Progressive procurement is also higher by around 4.9% compared to last year. Punjab government can easily achieve or even surpass its procurement target.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed firm tone in the week. Traders are not quoting prices for APW due to lower availability. As of now Tuticorin port price ASW at Rs 1930-1940 per quintal and Ukrainian wheat at Rs 1795-1805 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

As per trade source, India has imported around 30780.34 tonne wheat from Australia in the month of February at an average CIF of \$256.50 per tonne. The entire quantity has been imported at Tuticorin port. Furthermore, no wheat has been imported in the month of March due to expectation of good crop.

As per trade source, India has exported around 1.84 thousand tonnes in the month of March compared to 1.82 thousand tonnes in February. The quantity in March was exported at an average FOB of \$ 369.51 per tonne and the major destinations were UAE, UK, Sri Lanka and Somalia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per second advance estimate, India is likely to produce 97.11 MMT of wheat compared to 98.51 MMT in previous year. The total food grain production is expected at record 277.49 MMT compared to 275.11 MMT last year. This year overall acreage is lower by around 4.27% compared to last years' acreage of 317.88 lakh hectares.

International Market Update:

A flour mill in Indonesia has bought around 60000 tonnes of wheat at \$220-222 per tonne from black sea due for shipment in August. Indonesia usually imports from Australia. However as prices are ruling higher, black sea is taking advantage of this situation and capturing market share of Australia by providing the required quantity at lower prices.

Algeria state grains agency OAIC has bought around 420000 tonnes of milling wheat in a tender that closed on Thursday. The prices paid were in the range of \$224-225 per tonne (Cost and Freight). Origin of wheat is likely to be French. The country does not disclose the results of its tenders and purchase reports are based on trade assessments.

Russian milling wheat prices remained steady to weak by \$0-1 per tonne compared to last week. Traders are focusing on new crop trading as grain season is coming to an end. Russia has produced around 85-86 MMT of wheat this year compared to 72 MMT last year. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$210.00-216.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$210.00-213.00/tonne.

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

Wheat Futures Contract: NCDEX Price							Date: 04.05.2018 at 5:00 PM		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
18-May	+6	1724	1757	1720	1730	850	300	2180	-580
18-Jun	+3	1745	1757	1740	1751	950	300	1490	730
18-Jul	-	-	-	-	-	-	-	-	-

Spread	May-18	June-18	July-18	
Spot Narela				
18-May	60			
18-June		21		
18-July			-	

Stocks	Demat	In- Process	Total	FED
	3.May.18	3.May.18	3.May.18	1.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3544	0	3544	3504
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 5.5.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-May-18	4-May-18	
Delhi	Lawrence Road	Mill Delivery	1750	1740	10
	Narella	Mill Quality Loose	1700	1670	30
	Nazafgarh	Mill Quality Loose	1660	1650	10
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1720	1720	Unch
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	1780	1690	90
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1680	1680	Unch
Rajasthan	Kota	Mill Quality Loose	1630	1630	Unch
		Mill Delivery	1700	1700	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1550	1550	Unch
	Kosi	Mill Quality Loose	1610	1610	Unch
	Hathras	Mill Quality Loose	1640	1640	Unch
	Aligarh	Mill Quality Loose	1585	1585	Unch
Punjab	Khanna	Mill Quality Loose	1735	1735	Unch
	Ludhiana (Jagraon)	Mill Delivery	1760	1760	Unch
Haryana	Sirsa	Mill Delivery loose	1735	1735	Unch
	Hodal	Mill Delivery	1750	1750	Unch

	Bhiwani	Mill Quality Loose	1735	1730	5
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1735	1735	Unch
Tamil Nadu	Chennai	Mill Quality	2040	2040	Unch
	Madurai	Mill Quality	2097	2097	Unch
	Coimbatore	Mill Quality	2097	2097	Unch
Bihar	Khagariya	Mill Delivery	1525	1525	Unch
	Muzaffarpur	Mill Delivery	1550	1550	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1760	1760	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1760	1760	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-May-18	4-May-18	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	Lokwan Bilty	1800	1800	Unch
	Baran	Lokwan	1825	1825	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-May-18	4-May-18	
Delhi	Lawrence Road	Mill Delivery	8000	8000	Unch
	Narella	Mill Quality Loose	800	1000	-200
	Nazafgarh	Mill Quality Loose	150	250	-100
Gujarat	Rajkot	Mill Quality Loose	3000	4000	-1000
	Dhrol	Mill Quality Loose	70	150	-80
M.P.	Indore	Mill Quality Loose	4000	4000	Unch
Rajasthan	Kota	Mill Quality	20000	30000	-10000
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	3000	3000	Unch
	Kosi	Mill Quality Loose	1500	1500	Unch
	Hathras	Mill Quality Loose	350	500	-150
	Aligarh	Mill Quality Loose	1000	1000	Unch
Punjab	Khanna	Mill Quality Loose	25000	25000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	1000	5000	-4000
Haryana	Sirsa	Mill Quality Loose	2000	2000	Unch
	Hodal	Mill Quality Loose	500	500	Unch
	Bhiwani	Mill Quality Loose	2000	2000	Unch

	Karnal	Mill Delivery	4000	15000	-11000
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	5-May-18	4-May-18	Change
Atta (50kg) Ordinary	1015	1015	Unch
Maida Grade 1 (50KG)	1135	1135	Unch
Suji (50kg)	1190	1190	Unch
Chokar (50 kg)	744	744	Unch
Chokar (34 kg)	516	516	Unch
Chakki Atta (50kg)	1025	1025	Unch
Chakki Atta (50kg) Special	1025	1025	Unch
Chakki Atta (90kg) Superfine	1980	1980	Unch
Chakki Atta (50kg) Superfine	1100	1100	Unch

Wheat (CBOT) Future Price:4.5.2018					
Contract Month	Open	High	Low	Close	Change
18-May	537.00	537.00	527.50	527.50	-13.00
18-Jul	537.25	537.25	523.50	526.25	-11.75
18-Sep	552.00	552.00	538.50	541.75	-11.00
18-Dec	572.25	572.25	559.25	563.00	-9.75
19-Mar	587.75	588.00	575.00	579.25	-9.00
19-May	593.75	594.00	582.50	587.00	-8.50

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