

Wheat Domestic Fundamentals:

There is a rumor in the market that government may increase import duty from 20 percent to 30 or 40 percent in order to put a complete halt on imports and increase off take of domestic wheat.

As per latest update, until 10th May Traders and five government agencies have purchased a total of 85.04 lakh tonnes of wheat. Of the total quantity procured by government agencies around 25.49 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 34.02 lakh tonnes by HAFED, 10.45 lakh tonnes by FCI and 15.05 lakh tonnes by Haryana warehousing corporation. Sirsa district has recorded highest arrival in the state, where 9.03 lakh tonnes of wheat has been procured. Private trade has purchased 884 metric tonnes.

As per latest update, U.S. has said in a statement that India is supporting its rice and wheat farmers by paying them higher amounts than it has reported to WTO as market price support (MPS). The statement also says that MPS for wheat and rice is over 60% and 70% higher respectively. India's commitment to WTO allows India to subsidize not more than 10% of total value of crop production.

Government agencies have started procurement since 15th March'18. Until 07th May'18 government has procured around 296.74 lakh tonnes of wheat. Of the total quantity procured, around 121.59 lakh tonnes have been procured from Punjab, 84.19 lakh tonnes from Haryana, 24.15 lakh tonnes from Uttar Pradesh, 54.80 lakh tonnes have been procured from Madhya Pradesh, 11.09 in Rajasthan, 0.47 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh and 0.31 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.

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 1955-1965 per quintal and Ukrainian wheat at Rs 1805-1815 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

All India weekly average prices decreased by 2.94 percent to Rs. 1818.02 per quintal during the week ended 08th May 2018. Wheat average price were ruling at Rs 1873.09 per quintal during 24-30 April 2018. As compared to prices in the week 01-08 May 2017, the prices are weak by 8.79 percent. Prices are expected to remain steady to firm in coming days due to decrease in arrival pressure and aberration in weather.

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:

As per latest update, china has sold 310297 tonnes of wheat for average price of 2399 yuan (\$376.51) per tonne at an auction of state reserves on Wednesday. The quantity sold represents around 14.9 percent of wheat available at auction.

Russian milling wheat prices remained steady to weak by \$0-1 per tonne compared to last week. Fluctuations in Russian currency and exhausting stocks have halted grain trading. 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 \$211.00-216.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$210.00-213.00/tonne.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 11.05.2018 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	28	1742	1774	1750	1770	530	-600	1270	30
18-Jun	16	1779	1795	1775	1793	2050	550	5440	960
18-Jul	-	-	-	-	-	-	-	-	-

Spread	May-18	June-18	July-18	
Spot Narela				
18-May	40			
18-June		23		
18-July			-	

Stocks	Demat	In- Process	Total	FED
	10.May.18	10.May.18	10.May.18	7.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3591	51	3642	3543
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 11.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-May-18	10-May-18	
Delhi	Lawrence Road	Mill Delivery	1770	1770	Unch
	Narella	Mill Quality Loose	1730	1730	Unch
	Nazafgarh	Mill Quality Loose	1700	1680	20
Gujarat	Rajkot	Mill Delivery	1630	1630	Unch
	Ahmedabad	Mill Delivery	1750	1760	-10
	Surat	Mill Delivery	1810	1800	10
	Dhrol	Mill Quality Loose	1595	1615	-20
M.P.	Indore	Mill Delivery	1675	1700	-25
	Bhopal	Mill Quality Loose	1750	1800	-50
Rajasthan	Kota	Mill Quality Loose	1640	1640	Unch
		Mill Delivery	1750	1750	Unch
U.P.	Kanpur	Mill Delivery	1725	1700	25
	Mathura	Mill Quality Loose	1570	1620	-50
	Kosi	Mill Quality Loose	1575	1610	-35
	Hathras	Mill Quality Loose	1630	1630	Unch
	Aligarh	Mill Quality Loose	1600	1600	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	1740	NR	-

	Bhiwani	Mill Quality Loose	1725	1710	15
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1735	1735	Unch
Tamil Nadu	Chennai	Mill Quality	2100	2050	50
	Madurai	Mill Quality	2157	2107	50
	Coimbatore	Mill Quality	2157	2107	50
Bihar	Khagariya	Mill Delivery	1550	1550	Unch
	Muzaffarpur	Mill Delivery	1500	1500	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1780	1770	10
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1780	1770	10

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-May-18	10-May-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2000	2100	-100
	Bhopal	Lokwan	1850	1900	-50
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	1850	1850	Unch
	Baran	Lokwan	1800	1800	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-May-18	10-May-18	
Delhi	Lawrence Road	Mill Delivery	9000	8000	1000
	Narella	Mill Quality Loose	800	750	50
	Nazafgarh	Mill Quality Loose	150	150	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	1600	-400
	Dhrol	Mill Quality Loose	52	66	-14
M.P.	Indore	Mill Quality Loose	4000	1500	2500
Rajasthan	Kota	Mill Quality	20000	20000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	2500	2200	300
	Kosi	Mill Quality Loose	2000	1500	500
	Hathras	Mill Quality Loose	250	200	50
	Aligarh	Mill Quality Loose	2500	2500	Unch
Punjab	Khanna	Mill Quality Loose	10000	18000	-8000
	(Ludhiana)Jagraon	Mill Quality Loose	2000	2000	Unch
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	1000	NR	-
	Bhiwani	Mill Quality Loose	1500	600	900

	Karnal	Mill Delivery	4000	5000	-1000
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	11-May-18	10-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:10.5.2018					
Contract Month	Open	High	Low	Close	Change
18-May	515.75	515.75	507.75	507.75	-6.75
18-Jul	511.25	515.00	500.25	506.50	-4.00
18-Sep	527.75	531.25	517.50	523.00	-4.25
18-Dec	549.50	553.00	539.00	544.00	-4.75
19-Mar	568.00	571.75	558.00	562.50	-5.25
19-May	577.25	580.00	567.00	572.00	-5.00

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