

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 11th May'18 government has procured around 308.70 lakh tonnes of wheat. Of the total quantity procured, around 123.4 lakh tonnes have been procured from Punjab, 85.30 lakh tonnes from Haryana, 27.00 lakh tonnes from Uttar Pradesh and 59.00 lakh tonnes have been procured from Madhya Pradesh. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT. Government can easily achieve its procurement target this year.

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.

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, Moroccan government has decided to give subsidy to wheat millers for using locally harvested wheat. The subsidy would be 10 dirham's per 100kg of soft wheat. The government has also raised its import duty to 135 percent from 30 percent to reduce imports. Morocco imported around 4.2 MMT of soft wheat and 8.5 LMT of durum wheat.

Russian milling wheat prices remained weak by \$1 per tonne compared to last week. Export prices eased due to strong ruble. Russia is expected to produce around 74 MMT of wheat in 2018-19. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$210.00-215.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$210.00-213.00/tonne.

As per latest update, Japan's ministry of agriculture bought 95740 MMT of food quality wheat from United States and Australia. Around 61380 MMT has been bought from United States and around 34360 MMT of standard wheat has been bought from Australia. Shipments from United States will be loaded between June 21 and July 20, 2018 whereas Shipments from United States will be loaded between July 01 and July 31.

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	+19	1742	1774	1750	1761	530	-600	1270	+30
18-Jun	+14	1779	1795	1775	1791	2050	+550	5440	+960
18-Jul	-	-	-	-	-	-	-	-	-

Spread	May-18	June-18	July-18	
Spot Narela				
18-May	21			
18-June		30		
18-July			-	

Stocks	Demat	In- Process	Total	FED
	11.May.18	11.May.18	11.May.18	7.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3591	51	3642	3543
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 12.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-May-18	11-May-18	
Delhi	Lawrence Road	Mill Delivery	1775	1770	5
	Narella	Mill Quality Loose	1740	1730	10
	Nazafgarh	Mill Quality Loose	1720	1700	20
Gujarat	Rajkot	Mill Delivery	1635	1630	5
	Ahmedabad	Mill Delivery	1770	1750	20
	Surat	Mill Delivery	1820	1810	10
	Dhrol	Mill Quality Loose	1685	1595	90
M.P.	Indore	Mill Delivery	1675	1675	Unch
	Bhopal	Mill Quality Loose	1775	1750	25
Rajasthan	Kota	Mill Quality Loose	1650	1640	10
		Mill Delivery	1750	1750	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1570	1570	Unch
	Kosi	Mill Quality Loose	1600	1575	25
	Hathras	Mill Quality Loose	1640	1630	10
	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	1750	1740	10

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

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-May-18	11-May-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1850	1850	Unch
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1825	1800	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-May-18	11-May-18	
Delhi	Lawrence Road	Mill Delivery	8500	9000	-500
	Narella	Mill Quality Loose	1000	800	200
	Nazafgarh	Mill Quality Loose	200	150	50
Gujarat	Rajkot	Mill Quality Loose	1400	1200	200
	Dhrol	Mill Quality Loose	27	52	-25
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	15000	20000	-5000
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	2500	2500	Unch
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	200	250	-50
	Aligarh	Mill Quality Loose	2000	2500	-500
Punjab	Khanna	Mill Quality Loose	12000	10000	2000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	2000	-1000
Haryana	Sirsa	Mill Quality Loose	400	300	100
	Hodal	Mill Quality Loose	1000	1000	Unch
	Bhiwani	Mill Quality Loose	2000	1500	500

	Karnal	Mill Delivery	4000	4000	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	12-May-18	11-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:11.05.2018					
Contract Month	Open	High	Low	Close	Change
18-May	500.00	503.50	499.50	501.75	-5.75
18-Jul	524.00	526.25	516.00	518.00	-9.00
18-Sep	542.75	544.50	535.00	536.50	-9.00
18-Dec	568.25	569.75	560.50	562.00	-8.75
19-Mar	587.00	587.00	579.00	579.75	-9.75
19-May	594.25	595.00	588.25	589.50	-8.75

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