

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 14th May'18 government has procured around 318.76 lakh tonnes of wheat. Of the total quantity procured, around 124.85 lakh tonnes have been procured from Punjab, 87.18 lakh tonnes from Haryana, 30.38 lakh tonnes from Uttar Pradesh, 62.41 lakh tonnes have been procured from Madhya Pradesh, 12.83 in Rajasthan, 0.63 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh and 0.34 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.

Wheat WPI has increased slightly from 141.2 in March-2018 to 140.9 in April-2018. Monthly wheat inflation has decreased by 0.21 percent in March -2018 compared to previous month. As compared to March -2017 wheat WPI has decreased by around 0.07 percent.

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 2000 per quintal and Ukrainian wheat at Rs 1860 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

All India weekly average prices increased by 0.26 percent to Rs. 1822.82 per quintal during the week ended 15th May 2018. Wheat average price were ruling at Rs 1818.02 per quintal during 01-08 May 2018. As compared to prices in the week 09-15 May 2017, the prices are weak by 8.30 percent. Prices are expected to remain steady to firm in coming days due to decrease in arrivals.

As per latest update, until 10th May Traders and five government agencies have purchased a total of 87.04 lakh tonnes of wheat. Of the total quantity procured by government agencies around 26.09 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 35.10 lakh tonnes by HAFED, 10.52 lakh tonnes by FCI and 15.32 lakh tonnes by Haryana warehousing corporation. Sirsa district has recorded highest arrival in the state, where 12.03 lakh tonnes of wheat has been procured.

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 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: 15.05.2018 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	-4	1774	1770	1770	1770	190	+100	680	-590
18-Jun	-3	1796	1808	1796	1797	690	+250	5880	+350
18-Jul	-	-	-	-	-	-	-	-	-

Spread	May-18	June-18	July-18	
Spot Narela				
18-May	45			
18-June		27		
18-July			-	

Stocks	Demat	In- Process	Total	FED
	14.May.18	14.May.18	14.May.18	14.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3591	200	3791	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 15.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-May-18	14-May-18	
Delhi	Lawrence Road	Mill Delivery	1755	1765	-10
	Narella	Mill Quality Loose	1725	1735	-10
	Nazafgarh	Mill Quality Loose	1725	1700	25
Gujarat	Rajkot	Mill Delivery	1640	1635	5
	Ahmedabad	Mill Delivery	1870	1770	100
	Surat	Mill Delivery	1900	1820	80
	Dhrol	Mill Quality Loose	1685	1645	40
M.P.	Indore	Mill Delivery	Closed	1750	-
	Bhopal	Mill Quality Loose	Closed	1775	-
Rajasthan	Kota	Mill Quality Loose	1715	1650	65
		Mill Delivery	1800	1750	50
U.P.	Kanpur	Mill Delivery	1725	1715	10
	Mathura	Mill Quality Loose	1595	1570	25
	Kosi	Mill Quality Loose	1595	1625	-30
	Hathras	Mill Quality Loose	1630	1610	20
	Aligarh	Mill Quality Loose	1600	1610	-10
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	1760	1750	10

	Bhiwani	Mill Quality Loose	1705	1710	-5
	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	1800	1780	20
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1800	1780	20

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-May-18	14-May-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	Closed	2000	-
	Bhopal	Lokwan	Closed	1850	-
	Bina	Sarbati 306	Closed	2450	-
Rajasthan	Kota	LokwanBilty	1925	1850	75
	Baran	Lokwan	1880	1825	55

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-May-18	14-May-18	
Delhi	Lawrence Road	Mill Delivery	13000	12000	1000
	Narella	Mill Quality Loose	500	700	-200
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	1600	-400
	Dhrol	Mill Quality Loose	73	65	8
M.P.	Indore	Mill Quality Loose	Closed	5000	-
Rajasthan	Kota	Mill Quality	15000	12000	3000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	3000	2500	500
	Kosi	Mill Quality Loose	1500	4000	-2500
	Hathras	Mill Quality Loose	150	500	-350
	Aligarh	Mill Quality Loose	1600	1800	-200
Punjab	Khanna	Mill Quality Loose	10000	12000	-2000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	1000	Unch
Haryana	Sirsa	Mill Quality Loose	400	400	Unch
	Hodal	Mill Quality Loose	700	1000	-300
	Bhiwani	Mill Quality Loose	700	1200	-500

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

Wheat Products Delhi	15-May-18	14-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:14.5.2018					
Contract Month	Open	High	Low	Close	Change
18-May	479.25	480.50	479.25	480.50	-9.00
18-Jul	499.00	499.00	490.25	491.25	-7.50
18-Sep	515.00	515.00	507.50	508.00	-7.75
18-Dec	537.00	537.00	530.00	530.25	-7.00
19-Mar	553.25	553.25	548.00	548.50	-7.00
19-May	563.00	563.00	558.25	559.00	-6.25

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