

Wheat Domestic Fundamentals:

As per trade source, India has exported around 4.24 thousand tonnes in the month of April compared to 1.84 thousand tonnes in March. The quantity in March was exported at an average FOB of \$ 357.32 per tonne and the major destinations were UAE, UK, Sri Lanka, Vietnam and Somalia. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

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 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: 16.05.2018 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	+15	1770	1789	1782	1785	240	+50	740	+60
18-Jun	+1	1800	1804	1798	1801	550	-140	6170	+290
18-Jul	-	-	-	-	-	-	-	-	-

Spread	May-18	June-18	July-18	
Spot Narela				
18-May	60			
18-June		16		
18-July			-	

Stocks	Demat	In- Process	Total	FED
	15.May.18	15.May.18	15.May.18	14.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3591	200	3791	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 16.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-May-18	15-May-18	
Delhi	Lawrence Road	Mill Delivery	1750	1755	-5
	Narela	Mill Quality Loose	Closed	1725	-
	Nazafgarh	Mill Quality Loose	Closed	1725	-
Gujarat	Rajkot	Mill Delivery	1650	1640	10
	Ahmedabad	Mill Delivery	1800	1870	-70
	Surat	Mill Delivery	1850	1900	-50
	Dhrol	Mill Quality Loose	1810	1685	125
M.P.	Indore	Mill Delivery	1675	Closed	-
	Bhopal	Mill Quality Loose	1750	Closed	-
Rajasthan	Kota	Mill Quality Loose	1700	1715	-15
		Mill Delivery	1790	1800	-10
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1605	1595	10
	Kosi	Mill Quality Loose	1615	1595	20
	Hathras	Mill Quality Loose	1620	1630	-10
	Aligarh	Mill Quality Loose	Closed	1600	-
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	1760	Unch

	Bhiwani	Mill Quality Loose	1735	1705	30
	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	1800	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1800	1800	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-May-18	15-May-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	Closed	-
	Bhopal	Lokwan	1900	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	1850	1925	-75
	Baran	Lokwan	1850	1880	-30

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-May-18	15-May-18	
Delhi	Lawrence Road	Mill Delivery	9000	13000	-4000
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	1200	1200	Unch
	Dhrol	Mill Quality Loose	75	73	2
M.P.	Indore	Mill Quality Loose	4000	Closed	-
Rajasthan	Kota	Mill Quality	17000	15000	2000
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	2500	3000	-500
	Kosi	Mill Quality Loose	3000	1500	1500
	Hathras	Mill Quality Loose	800	150	650
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	7000	10000	-3000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	1000	Unch
Haryana	Sirsa	Mill Quality Loose	200	400	-200
	Hodal	Mill Quality Loose	700	700	Unch
	Bhiwani	Mill Quality Loose	800	700	100

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

Wheat Products Delhi	16-May-18	15-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:15.5.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	490.50	496.25	486.25	493.50	2.25
18-Sep	507.50	512.75	502.75	509.75	1.75
18-Dec	530.00	534.50	525.00	531.50	1.25
19-Mar	548.25	552.50	543.25	549.25	0.75
19-May	563.00	563.00	553.25	559.00	Unch
19-Jul	565.00	565.00	557.50	562.50	-0.50

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