

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 18th May'18 government has procured around 328.54 lakh tonnes of wheat. Of the total quantity procured, around 125.88 lakh tonnes have been procured from Punjab, 87.37 lakh tonnes from Haryana, 34.15 lakh tonnes from Uttar Pradesh, 66.17 lakh tonnes have been procured from Madhya Pradesh, 13.74 in Rajasthan, 0.74 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh and 0.35 lakh tonnes from Gujarat. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT.

As per third advance estimate, India is likely to produce 98.61 MMT of wheat compared to 97.11 MMT in second estimate. The total food grain production is expected at record 279.51 MMT, up by around 0.72% compared to second estimate.

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.

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.

International Market Update:

As per latest update, Japan's ministry of agriculture bought 89937 MMT of food quality wheat from United States, Canada and Australia. Around 33992 MMT has been bought from United States; Around 30730 MMT has been bought from Canada and 25215 tonnes of standard white wheat from west Australia. Shipments from United States and Canada will be loaded between June 21 and July 20 whereas shipment from Australia will be loaded between July 01 and July 31.

Russian milling wheat prices remained weak by \$0-1 per tonne compared to last week. Export prices eased due to low liquidity, better weather conditions and expectation of good new crop. 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 \$210.00-214.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$210.00-213.00/tonne.

GASC has purchased 60000 tonnes of Ukrainian wheat through tender. Louis Dreyfus offered 60000 tonnes at FOB \$219.90/tonne. The wheat is to be shipped between June 15-25.

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

Wheat Futures Contract: NCDEX Price							Date: 18.05.2018 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	0	1800	1800	1800	1800	500	480	0	-500
18-Jun	-2	1797	1799	1795	1797	360	-330	6670	90
18-Jul	-	-	-	-	-	-	-	-	-

Spread	May-18	June-18	July-18	
Spot Narela				
18-May	79			
18-June		-29		
18-July			-23	

Stocks	Demat	In- Process	Total	FED
	18.May.18	18.May.18	18.May.18	14.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3911	130	4041	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 19.5.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-May-18	18-May-18	
Delhi	Lawrence Road	Mill Delivery	1750	1750	Unch
	Narella	Mill Quality Loose	1715	1720	-5
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1640	1635	5
	Ahmedabad	Mill Delivery	1820	1850	-30
	Surat	Mill Delivery	1880	1910	-30
	Dhrol	Mill Quality Loose	1755	1710	45
M.P.	Indore	Mill Delivery	1700	1700	Unch
	Bhopal	Mill Quality Loose	1825	1775	50
Rajasthan	Kota	Mill Quality Loose	1710	1710	Unch
		Mill Delivery	1820	1820	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1550	1550	Unch
	Kosi	Mill Quality Loose	1575	1620	-45
	Hathras	Mill Quality Loose	1610	1610	Unch
	Aligarh	Mill Quality Loose	1590	1580	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	NR	1760	-

	Bhiwani	Mill Quality Loose	1735	1735	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	1475	1475	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
			19-May-18	18-May-18	
Gujarat	Rajkot	Lokwan	2000	1850	150
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2450	2450	Unch
Rajasthan	Kota	Lokwan Bilty	1875	1875	Unch
	Baran	Lokwan	1850	1870	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-May-18	18-May-18	
Delhi	Lawrence Road	Mill Delivery	9000	8000	1000
	Narella	Mill Quality Loose	600	800	-200
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	1200	1000	200
	Dhrol	Mill Quality Loose	82	56	26
M.P.	Indore	Mill Quality Loose	5000	5000	Unch
Rajasthan	Kota	Mill Quality	10000	12000	-2000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	4000	5000	-1000
	Kosi	Mill Quality Loose	4000	3000	1000
	Hathras	Mill Quality Loose	250	900	-650
	Aligarh	Mill Quality Loose	2000	1500	500
Punjab	Khanna	Mill Quality Loose	6000	10000	-4000
	(Ludhiana)Jagraon	Mill Quality Loose	1000	1000	Unch
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	NR	700	-
	Bhiwani	Mill Quality Loose	1000	1000	Unch

	Karnal	Mill Delivery	3000	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	19-May-18	18-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:18.5.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	497.50	518.75	495.25	518.25	20.75
18-Sep	513.50	534.50	511.50	534.00	20.50
18-Dec	534.75	555.25	532.75	554.75	20.00
19-Mar	552.25	572.75	551.00	572.50	19.75
19-May	560.50	581.75	560.50	581.75	19.00
19-Jul	565.75	585.50	565.50	585.50	18.50

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