

### Wheat Domestic Fundamentals:

**All India weekly average prices increased by 6.84 percent to Rs. 1947.59 per quintal** during the week ended 23rd May 2018. Wheat average price were ruling at Rs 1822.82 per quintal during 09-15 May 2018. As compared to prices in the week 16-23 May 2017, the prices are weak by 1.28 percent. Prices are expected to remain firm in coming days due to decrease in arrivals and expected increase in import duty.

**There is a rumor in the market that government may increase import duty from 20 percent to 30 percent.** In case government increases import duty to 30 percent, it will reduce imports providing support to domestic wheat prices. Government has ample wheat stock this year due to good procurement and if inflow of wheat from other countries like Australia and Russia/Ukraine is not stopped, it can make difficult for government to sell wheat in open market.

**Government agencies have started procurement since 15th March'18. Until 21st May'18 government has procured around 332.60 lakh tonnes of wheat.** Of the total quantity procured, around 126.12 lakh tonnes have been procured from Punjab, 87.37 lakh tonnes from Haryana, 36.05 lakh tonnes from Uttar Pradesh, 67.80 lakh tonnes have been procured from Madhya Pradesh, 13.99 in Rajasthan, 0.78 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 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 2025-2035 per quintal and Ukrainian wheat at Rs 1870-1880 per quintal. Wheat supplies are likely to tighten this year.

**As per latest update, until 19th May'18 a total of 126.64 LMT of wheat has been procured in Punjab.** Government agencies have procured 126.09 LMT of wheat whereas private trade has procured 55436 MT. Furthermore, around 123.99 LMT of wheat has been lifted from mandis and Rs 18911 crore has been paid to farmers. Of the total quantity, PUNGRAIN had procured 29.23 LMT, MARKFED had procured 27.64 LMT, PUNSUP had procured 24.30 LMT, PSWC had procured 17.11 LMT, PAFC had procured 12.60 MT and FCI had procured 15.20 LMT of wheat.

**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 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, Iraq's state grains board has purchased around 100000 tonnes of hard wheat in a tender.** Of the total quantity 50000 tonnes will be sourced from United States and rest from Australia. In previous tender, Iraq bought 100000 tonnes of Australian wheat at \$298 per tonne C&F. Iraq has stepped up its local wheat purchase as well due to drought conditions.

**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.

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

Wheat Futures Contract: NCDEX Price							Date: 23.05.2018 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-Jun	-7	1826	1836	1815	1818	2010	-1,150	7350	-50
18-Jul	-	-	-	-	-	-	-	-	-
18-Aug	-	-	-	-	-	-	-	-	-

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	-			
18-July		-		
18-Aug			-	

Stocks	Demat	In- Process	Total	FED
	22.May.18	22.May.18	22.May.18	21.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4151	70	4221	3591
Baran	30	0	30	30

## Wheat Daily Prices and Arrivals on 23.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-May-18	22-May-18	
Delhi	Lawrence Road	Mill Delivery	1750	1750	Unch
	Narella	Mill Quality Loose	Closed	NR	-
	Nazafgarh	Mill Quality Loose	Closed	1700	-
Gujarat	Rajkot	Mill Delivery	1650	1650	Unch
	Ahmedabad	Mill Delivery	1825	1800	25
	Surat	Mill Delivery	1900	1880	20
	Dhrol	Mill Quality Loose	NR	1650	-
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1625	1660	-35
		Mill Delivery	1820	1820	Unch
U.P.	Kanpur	Mill Delivery	1750	NR	-
	Mathura	Mill Quality Loose	1560	1630	-70
	Kosi	Mill Quality Loose	1580	1580	Unch
	Hathras	Mill Quality Loose	1610	NA	-
	Aligarh	Mill Quality Loose	Closed	1590	-
Punjab	Khanna	Mill Quality Loose	1735	1735	Unch
	Ludhiana (Jagraon)	Mill Delivery	1760	NA	-
Haryana	Sirsa	Mill Delivery loose	1740	1735	5
	Hodal	Mill Delivery	1720	1720	Unch

	Bhiwani	Mill Quality Loose	1740	1740	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	1500	1500	Unch
	Muzaffarpur	Mill Delivery	1475	1475	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
			23-May-18	22-May-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2050	2000	50
	Bina	Sarbati 306	NR	2450	-
Rajasthan	Kota	LokwanBilty	1875	1875	Unch
	Baran	Lokwan	1710	1700	10

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-May-18	22-May-18	
Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality Loose	Closed	NR	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	2000	1500	500
	Dhrol	Mill Quality Loose	NR	91	-
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	10000	12000	-2000
U.P.	Kanpur	Mill Quality Loose	1050	NR	-
	Mathura	Mill Quality Loose	2500	9100	-6600
	Kosi	Mill Quality Loose	1000	1000	Unch
	Hathras	Mill Quality Loose	300	NA	-
	Aligarh	Mill Quality Loose	Closed	3000	-
Punjab	Khanna	Mill Quality Loose	3000	4000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	500	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	300	200	100
	Bhiwani	Mill Quality Loose	600	700	-100

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

Wheat Products Delhi	23-May-18	22-May-18	Change
Atta (50kg) Ordinary	950	950	Unch
Maida Grade 1 (50KG)	1015	1015	Unch
Suji (50kg)	1075	1075	Unch
Chokar (50 kg)	865	865	Unch
Chokar (34 kg)	590	590	Unch
Chakki Atta (50kg)	1000	1000	Unch
Chakki Atta (50kg) Special	1000	1000	Unch
Chakki Atta (90kg) Superfine	1865	1865	Unch
Chakki Atta (50kg) Superfine	1035	1035	Unch

Wheat (CBOT) Future Price:22.5.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	505.50	530.25	502.75	521.50	14.25
18-Sep	523.00	546.00	520.25	538.50	14.00
18-Dec	545.75	566.25	542.50	559.75	13.00
19-Mar	564.00	584.00	562.3	578.00	12.50
19-May	572.50	593.00	572.5	588.00	12.75
19-Jul	578.00	596.75	576.5	591.25	11.50

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