

**Wheat Domestic Fundamentals:**

**As per notification issued by CBEC, government has increased import duty on wheat to 30 percent** from current 20 percent in order to curb imports and provide support to domestic prices. Government has ample wheat stock this year due to good procurement and increase in import duty will curb inflow of wheat from other countries like Australia and Russia/Ukraine.

**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.

**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:**

**Russian milling wheat prices remained weak by \$1-2 per tonne compared to last week.** Export prices eased due to better weather conditions and expectation of early harvest of 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 \$209.00-213.00/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$208.00-212.00/tonne.

**Algeria state grains agency OAIC has bought around 700000 tonnes of milling wheat** in a tender that closed on Wednesday. The prices paid were in the range of \$228.0-228.50 per tonne (Cost and Freight). Origin of wheat is optional but most of it likely to be from France. The country does not disclose the results of its tenders and purchase reports are based on trade assessments.

**As per latest update, Japan's ministry of agriculture bought 96870 MMT** of food quality wheat from United States and Canada. Around 63735 MMT has been bought from United States and around 33135 MMT with minimum 13.5 percent protein content has been bought from Canada. Shipments from United States and Canada will be loaded between June 21 and July 20, 2018.

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

Wheat Futures Contract: NCDEX Price							Date: 24.05.2018 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	+6	1825	1840	1818	1824	2140	+130	7810	+460
18-Jul	-	-	-	-	-	-	-	-	-
18-Aug	-	-	-	-	-	-	-	-	-

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	109			
18-July		-		
18-Aug			-	

Stocks	Demat	In- Process	Total	FED
	23.May.18	23.May.18	23.May.18	21.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4081	70	4151	3591
Baran	30	0	30	30

## Wheat Daily Prices and Arrivals on 24.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-May-18	23-May-18	
Delhi	Lawrence Road	Mill Delivery	1760	1750	10
	Narella	Mill Quality Loose	1715	Closed	-
	Nazafgarh	Mill Quality Loose	1710	Closed	-
Gujarat	Rajkot	Mill Delivery	1665	1650	15
	Ahmedabad	Mill Delivery	1840	1825	15
	Surat	Mill Delivery	1910	1900	10
	Dhrol	Mill Quality Loose	1685	1730	-45
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1625	1625	Unch
		Mill Delivery	1820	1820	Unch
U.P.	Kanpur	Mill Delivery	1750	1750	Unch
	Mathura	Mill Quality Loose	1630	1560	70
	Kosi	Mill Quality Loose	1650	1580	70
	Hathras	Mill Quality Loose	NA	1610	-
	Aligarh	Mill Quality Loose	1590	Closed	-
Punjab	Khanna	Mill Quality Loose	1735	1735	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	1760	-
Haryana	Sirsa	Mill Delivery loose	1735	1740	-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	1550	1500	50
	Muzaffarpur	Mill Delivery	1480	1475	5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1880	1780	100
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1880	1780	100

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-May-18	23-May-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2050	2050	Unch
	Bina	Sarbati 306	2450	NR	-
Rajasthan	Kota	LokwanBilty	1875	1875	Unch
	Baran	Lokwan	1710	1710	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-May-18	23-May-18	
Delhi	Lawrence Road	Mill Delivery	6000	10000	-4000
	Narella	Mill Quality Loose	600	Closed	--
	Nazafgarh	Mill Quality Loose	100	Closed	--
Gujarat	Rajkot	Mill Quality Loose	1500	2000	-500
	Dhrol	Mill Quality Loose	63	80	-17
M.P.	Indore	Mill Quality Loose	2000	3000	-1000
Rajasthan	Kota	Mill Quality	10000	10000	Unch
U.P.	Kanpur	Mill Quality Loose	1000	1050	-50
	Mathura	Mill Quality Loose	9200	2500	6700
	Kosi	Mill Quality Loose	3200	1000	2200
	Hathras	Mill Quality Loose	NA	300	--
	Aligarh	Mill Quality Loose	1800	Closed	--
Punjab	Khanna	Mill Quality Loose	2000	3000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	500	--
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	200	300	-100
	Bhiwani	Mill Quality Loose	800	600	200

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

Wheat Products Delhi	24-May-18	23-May-18	Change
Atta (50kg) Ordinary	975	950	25
Maida Grade 1 (50KG)	950	1015	-65
Suji (50kg)	1000	1075	-75
Chokar (50 kg)	925	865	60
Chokar (34 kg)	630	590	40
Chakki Atta (50kg)	1025	1000	25
Chakki Atta (50kg) Special	1050	1000	50
Chakki Atta (90kg) Superfine	1910	1865	45
Chakki Atta (50kg) Superfine	1060	1035	25

Wheat (CBOT) Future Price:23.05.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	520.75	531.75	517.25	531.00	9.50
18-Sep	537.75	548.25	534.25	547.75	9.25
18-Dec	558.75	568.50	555.00	568.25	8.50
19-Mar	576.50	585.75	573.25	585.50	7.50
19-May	587.50	595.00	583.25	594.75	6.75
19-Jul	591.00	597.75	586.50	597.50	6.25

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