

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 25th May'18 government has procured around 338.52 lakh tonnes of wheat. Of the total quantity procured, around 126.56 lakh tonnes have been procured from Punjab, 87.37 lakh tonnes from Haryana, 38.19 lakh tonnes from Uttar Pradesh, 70.56 lakh tonnes have been procured from Madhya Pradesh, 14.47 in Rajasthan, 0.87 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh and 0.36 lakh tonnes from Gujarat. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT.

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.

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:

IGC has projected global wheat production to be 742 MMT for 2018-19 against 758 MMT for 2017-18. IGC has projected lower production for 2018-19 however; carryover stocks are still at higher side. Trade projection for 2018-19 has been increased to 179 MMT against to 176 MMT for 2017-18. Consumption has been increased by 6 MMT to 746 MMT for 2018-19 against 740 MMT for 2017-18.

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.

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

Wheat Futures Contact: NCDEX Price							Date: 25.05.2018 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	-3	1824	1830	1820	1820	950	-1,190	7820	10
18-Jul	0	1845	1846	1843	1846	570	-	-	-
18-Aug	0	1865	1870	1870	1870	10	-	-	-

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	85			
18-July		26		
18-Aug			24	

Stocks	Demat	In- Process	Total	FED
	24.May.18	24.May.18	24.May.18	21.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4081	70	4151	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 25.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-May-18	24-May-18	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1735	1715	20
	Nazafgarh	Mill Quality Loose	1700	1710	-10
Gujarat	Rajkot	Mill Delivery	1665	1665	Unch
	Ahmedabad	Mill Delivery	1840	1840	Unch
	Surat	Mill Delivery	1900	1910	-10
	Dhrol	Mill Quality Loose	1675	1685	-10
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1680	1625	55
		Mill Delivery	1780	1820	-40
U.P.	Kanpur	Mill Delivery	1725	1750	-25
	Mathura	Mill Quality Loose	1650	1630	20
	Kosi	Mill Quality Loose	1650	1650	Unch
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1590	1590	Unch
Punjab	Khanna	Mill Quality Loose	1735	1735	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1740	1735	5
	Hodal	Mill Delivery	1715	1720	-5

	Bhiwani	Mill Quality Loose	1735	1740	-5
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1735	1735	Unch
Tamil Nadu	Chennai	Mill Quality	2175	2100	75
	Madurai	Mill Quality	2232	2157	75
	Coimbatore	Mill Quality	2232	2157	75
Bihar	Khagariya	Mill Delivery	1550	1550	Unch
	Muzaffarpur	Mill Delivery	1480	1480	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1900	1880	20
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1900	1880	20

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-May-18	24-May-18	
Gujarat	Rajkot	Lokwan	1850	1850	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2050	2050	Unch
	Bina	Sarbati 306	2450	2450	Unch
Rajasthan	Kota	LokwanBilty	1900	1875	25
	Baran	Lokwan	1700	1710	-10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-May-18	24-May-18	
Delhi	Lawrence Road	Mill Delivery	10000	6000	4000
	Narella	Mill Quality Loose	400	600	-200
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	1500	-300
	Dhrol	Mill Quality Loose	54	63	-9
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	15000	10000	5000
U.P.	Kanpur	Mill Quality Loose	500	1000	-500
	Mathura	Mill Quality Loose	10000	9200	800
	Kosi	Mill Quality Loose	3000	3200	-200
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1500	1800	-300
Punjab	Khanna	Mill Quality Loose	3000	2000	1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	400	200	200
	Hodal	Mill Quality Loose	300	200	100
	Bhiwani	Mill Quality Loose	1000	800	200

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

Wheat Products Delhi	25-May-18	24-May-18	Change
Atta (50kg) Ordinary	975	975	Unch
Maida Grade 1 (50KG)	950	950	Unch
Suji (50kg)	1000	1000	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1025	1025	Unch
Chakki Atta (50kg) Special	1050	1050	Unch
Chakki Atta (90kg) Superfine	1910	1910	Unch
Chakki Atta (50kg) Superfine	1060	1060	Unch

Wheat (CBOT) Future Price:24.5.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	531.00	545.25	529.25	530.25	-0.75
18-Sep	547.50	560.75	546.25	547.00	-0.75
18-Dec	568.00	578.50	565.50	566.50	-1.75
19-Mar	585.25	594.3	582.25	583.25	-2.25
19-May	595.50	602.0	590.50	591.75	-3.00
19-Jul	595.75	603.0	592.25	593.50	-4.00

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