

Wheat Domestic Fundamentals:

As per forecast issued by IMD, southwest monsoon has arrived in south Andaman Sea and is likely to enter kerala in next four days. If this forecast issued by IMD holds, monsoon will arrive at least three days before this year. Furthermore, good rainfall can also be expected in parts of central India in between June 01 and June 15. IMD has already issued that India is likely to have a normal monsoon at 97 percent of LPA.

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.

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 whereas 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 Contract: 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	-	2630	-
18-Aug	0	1865	1870	1870	1870	10	-	20	-

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	120			
18-July		26		
18-Aug			24	

Stocks	Demat	In- Process	Total	FED
	25.May.18	25.May.18	25.May.18	21.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4081	70	4151	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 26.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-May-18	25-May-18	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1700	1735	-35
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1675	1665	10
	Ahmedabad	Mill Delivery	1870	1840	30
	Surat	Mill Delivery	1920	1900	20
	Dhrol	Mill Quality Loose	1760	1675	85
M.P.	Indore	Mill Delivery	1775	1750	25
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1680	1680	Unch
		Mill Delivery	1780	1780	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1600	1650	-50
	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	1740	Unch
	Hodal	Mill Delivery	1715	1715	Unch

	Bhiwani	Mill Quality Loose	1735	1735	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1735	1735	Unch
Tamil Nadu	Chennai	Mill Quality	2175	2175	Unch
	Madurai	Mill Quality	2232	2232	Unch
	Coimbatore	Mill Quality	2232	2232	Unch
Bihar	Khagariya	Mill Delivery	1550	1550	Unch
	Muzaffarpur	Mill Delivery	1480	1480	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1925	1900	25
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1925	1900	25

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-May-18	25-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	1900	Unch
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-May-18	25-May-18	
Delhi	Lawrence Road	Mill Delivery	8500	10000	-1500
	Narella	Mill Quality Loose	500	400	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	1200	Unch
	Dhrol	Mill Quality Loose	87	54	33
M.P.	Indore	Mill Quality Loose	1000	1500	-500
Rajasthan	Kota	Mill Quality	15000	15000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	5000	10000	-5000
	Kosi	Mill Quality Loose	2500	3000	-500
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1000	1500	-500
Punjab	Khanna	Mill Quality Loose	2000	3000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	400	-200
	Hodal	Mill Quality Loose	200	300	-100
	Bhiwani	Mill Quality Loose	1200	1000	200

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

Wheat Products Delhi	26-May-18	25-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:25.5.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	530.00	544.75	528.25	543.00	12.75
18-Sep	546.75	561.75	545.00	559.75	12.75
18-Dec	565.25	580.00	564.75	578.50	12.00
19-Mar	581.25	595.75	581.00	594.50	11.25
19-May	589.50	603.50	589.50	602.25	10.50
19-Jul	591.75	604.25	591.75	603.25	9.75

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