

Wheat Domestic Fundamentals:

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 2065-2075 per quintal and Ukrainian wheat at Rs 1905-1915 per quintal. Wheat supplies are likely to tighten this year.

As per latest update, wheat stock in central pool as on 1st May'18 stood at 353.45 lakh tonnes up by 167.14% compared to last month. This quantity is higher by around 19.24% compared to last year for the same month. Government has surpassed their procurement target of 32 MMT this year. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. The stock position as on 01st May'18 is highest in last four years. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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 Utrakhand, 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 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 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: 28.05.2018 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	-10	1823	1825	1813	1813	910	-40	7510	-310
18-Jul	-11	1840	1840	1831	1834	430	-140	2770	140
18-Aug	0	1870	1870	1870	1870	20	10	20	0

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	83			
18-July		21		
18-Aug			36	

Stocks	Demat	In- Process	Total	FED
	26.May.18	26.May.18	26.May.18	21.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4151	199	4350	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 28.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-May-18	26-May-18	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1730	1700	30
	Nazafgarh	Mill Quality Loose	1725	1700	25
Gujarat	Rajkot	Mill Delivery	1690	1675	15
	Ahmedabad	Mill Delivery	1870	1870	Unch
	Surat	Mill Delivery	1925	1920	5
	Dhrol	Mill Quality Loose	1850	1760	90
M.P.	Indore	Mill Delivery	1780	1775	5
	Bhopal	Mill Quality Loose	1725	1750	-25
Rajasthan	Kota	Mill Quality Loose	1700	1680	20
		Mill Delivery	1780	1780	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1625	1600	25
	Kosi	Mill Quality Loose	1650	1650	Unch
	Hathras	Mill Quality Loose	1635	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	1730	1740	-10
	Hodal	Mill Delivery	1715	1715	Unch

	Bhiwani	Mill Quality Loose	1725	1735	-10
	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	1560	1550	10
	Muzaffarpur	Mill Delivery	1475	1480	-5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1925	1925	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1925	1925	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28-May-18	26-May-18	
Gujarat	Rajkot	Lokwan	1900	1850	50
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	2050	2050	Unch
	Bina	Sarbati 306	Closed	2450	-
Rajasthan	Kota	LokwanBilty	1900	1900	Unch
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			28-May-18	26-May-18	
Delhi	Lawrence Road	Mill Delivery	8000	8500	-500
	Narella	Mill Quality Loose	500	500	Unch
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1600	1200	400
	Dhrol	Mill Quality Loose	97	87	10
M.P.	Indore	Mill Quality Loose	1200	1000	200
Rajasthan	Kota	Mill Quality	10000	15000	-5000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	4000	5000	-1000
	Kosi	Mill Quality Loose	2000	2500	-500
	Hathras	Mill Quality Loose	300	NA	-
	Aligarh	Mill Quality Loose	600	1000	-400
Punjab	Khanna	Mill Quality Loose	2000	2000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	150	200	-50
	Bhiwani	Mill Quality Loose	700	1200	-500

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

Wheat Products Delhi	28-May-18	26-May-18	Change
Atta (50kg) Ordinary	975	975	Unch
Maida Grade 1 (50KG)	1025	950	75
Suji (50kg)	1075	1000	75
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1050	1025	25
Chakki Atta (50kg) Special	1025	1050	-25
Chakki Atta (90kg) Superfine	1865	1910	-45
Chakki Atta (50kg) Superfine	1035	1060	-25

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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