

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 4.88 percent to Rs. 1852.54 per quintal during the week ended 31st May 2018. Wheat average price were ruling at Rs 1947.59 per quintal during 16-23 May 2018. As compared to prices in the week 24-31 May 2017, the prices are firm by 0.36 percent. Prices are expected to remain firm in coming days due to decrease in arrivals and increase in import duty.

Government agencies have started procurement since 15th March'18. Until 28th May'18 government has procured around 340.81 lakh tonnes of wheat. Of the total quantity procured, around 126.69 lakh tonnes have been procured from Punjab, 87.37 lakh tonnes from Haryana, 38.27 lakh tonnes from Uttar Pradesh, 72.45 lakh tonnes have been procured from Madhya Pradesh, 14.62 in Rajasthan, 0.91 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. Government has abundant supplies this year, which will allow it to control any unexpected price rise.

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.

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.

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:

Wheat prices are gaining around the globe in major producing countries due to unfavorable weather conditions. Extreme heat in US HRW (Hard Red Winter) areas, Dry weather in Australia, enhancement in dry conditions in Southern Russia and Canadian prairies is threatening yields. Russia has already reduced its total grain crop by 5 MMT. Therefore new crop prices are likely to remain firm given; no improvement in current condition is seen.

As per latest update, Egypt's top administrative court has decided to freeze the order of lower court for banning ergot completely. Furthermore it has also allowed import of wheat with marginal levels. Egypt is the largest importer of wheat and receives almost 33 percent of Russian Wheat

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 176 MMT for 2017-18. Consumption has been increased by 6 MMT to 746 MMT for 2018-19 against 740 MMT for 2017-18.

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

Wheat Futures Contract: NCDEX Price							Date: 31.05.2018 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	-16	1818	1813	1802	1802	810	740	7250	-200
18-Jul	-18	1780	1829	1780	1815	570	-30	3200	140
18-Aug	0	1843	1843	1843	1843	30	20	0	-30

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	72			
18-July		13		
18-Aug			28	

Stocks	Demat	In- Process	Total	FED
	31.May.18	31.May.18	31.May.18	21.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4350	0	4350	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 31.05.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-May-18	30-May-18	
Delhi	Lawrence Road	Mill Delivery	1760	1760	Unch
	Narella	Mill Quality Loose	1730	Closed	-
	Nazafgarh	Mill Quality Loose	1700	Closed	-
Gujarat	Rajkot	Mill Delivery	1740	1740	Unch
	Ahmedabad	Mill Delivery	1870	1870	Unch
	Surat	Mill Delivery	1930	1925	5
	Dhrol	Mill Quality Loose	1765	1790	-25
M.P.	Indore	Mill Delivery	1725	1725	Unch
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1700	1700	Unch
		Mill Delivery	1780	1780	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1610	1600	10
	Kosi	Mill Quality Loose	1580	1590	-10
	Hathras	Mill Quality Loose	1745	1745	Unch
	Aligarh	Mill Quality Loose	NR	Closed	-
Punjab	Khanna	Mill Quality Loose	1710	1720	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1735	1740	-5
	Hodal	Mill Delivery	1715	1715	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	2175	2175	Unch
	Madurai	Mill Quality	2232	2232	Unch
	Coimbatore	Mill Quality	2232	2232	Unch
Bihar	Khagariya	Mill Delivery	1500	1500	Unch
	Muzaffarpur	Mill Delivery	1475	1475	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1900	1900	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1900	1900	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-May-18	30-May-18	
Gujarat	Rajkot	Lokwan	2050	1900	150
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	LokwanBilty	1900	1900	Unch
	Baran	Lokwan	NR	1700	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-May-18	30-May-18	
Delhi	Lawrence Road	Mill Delivery	8000	8500	-500
	Narella	Mill Quality Loose	500	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1500	1800	-300
	Dhrol	Mill Quality Loose	76	95	-19
M.P.	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	7000	8000	-1000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	10000	4000	6000
	Kosi	Mill Quality Loose	1000	1500	-500
	Hathras	Mill Quality Loose	2500	3200	-700
	Aligarh	Mill Quality Loose	NR	Closed	-
Punjab	Khanna	Mill Quality Loose	1250	1500	-250
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	200	-100
	Bhiwani	Mill Quality Loose	700	700	Unch

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

Wheat Products Delhi	31-May-18	30-May-18	Change
Atta (50kg) Ordinary	975	975	Unch
Maida Grade 1 (50KG)	1025	1025	Unch
Suji (50kg)	1075	1075	Unch
Chokar (50 kg)	925	925	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1050	1050	Unch
Chakki Atta (50kg) Special	1025	1025	Unch
Chakki Atta (90kg) Superfine	1865	1865	Unch
Chakki Atta (50kg) Superfine	1035	1035	Unch

Wheat (CBOT) Future Price:30.5.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	534.75	534.75	516.50	522.00	-14.50
18-Sep	551.50	551.50	533.75	539.00	-14.50
18-Dec	569.50	570.00	553.50	558.25	-13.75
19-Mar	586.00	586.25	570.25	575.25	-13.25
19-May	592.75	592.75	578.25	584.00	-12.00
19-Jul	593.00	593.25	580.00	586.25	-10.25

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