

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'18. Until 01st June'18 government has procured around 341.90 lakh tonnes of wheat. Of the total quantity procured, around 126.91 lakh tonnes have been procured from Punjab, 87.39 lakh tonnes from Haryana, 38.41 lakh tonnes from Uttar Pradesh, 72.81 lakh tonnes have been procured from Madhya Pradesh, 14.90 in Rajasthan, 0.97 lakh tonnes from Uttarakhand, 0.14 lakh tonnes from Chandigarh and 0.37 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.

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.

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:

Algeria state grains agency OAIC has bought around 90000-120000 tonnes of milling wheat in a tender. The prices paid were in the range of \$229.00-230.00 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.

Russian milling wheat prices remained weak by \$1-2 per tonne in Novorossiysk and \$10-11 per tonne at Odessa compared to last week. Trading activity is low as traders are waiting for new crop that is likely to approach market soon. 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 \$208.00-211.00/tonne whereas milling wheat whereas wheat with 12.5% protein content at Odessa is being quoted at FoB \$197.00-202.00/tonne.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 01.06.2018 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	-11	1805	1805	1790	1795	900	+90	6890	-360
18-Jul	-6	1810	1813	1804	1810	1100	+530	3580	+380
18-Aug	-1	1826	1826	1826	1825	0	-30	30	+30

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	80			
18-July		15		
18-Aug			15	

Stocks	Demat	In- Process	Total	FED
	1.June.18	1.June.18	1.June.18	21.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4350	50	4400	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 02.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Jun-18	1-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1755	1760	-5
	Narella	Mill Quality Loose	1715	1725	-10
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1740	1720	20
	Ahmedabad	Mill Delivery	1835	1820	15
	Surat	Mill Delivery	1900	1900	Unch
	Dhrol	Mill Quality Loose	1785	1750	35
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	1715	1715	Unch
	Mathura	Mill Quality Loose	1610	1610	Unch
	Kosi	Mill Quality Loose	1580	1580	Unch
	Hathras	Mill Quality Loose	1745	1745	Unch
	Aligarh	Mill Quality Loose	1610	1740	-130
Punjab	Khanna	Mill Quality Loose	1725	1735	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1745	1745	Unch
	Hodal	Mill Delivery	1710	1710	Unch

	Bhiwani	Mill Quality Loose	1740	1740	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
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	1475	1475	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1930	1920	10
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1930	1920	10

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Jun-18	1-Jun-18	
Gujarat	Rajkot	Lokwan	1900	1850	50
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	LokwanBilty	1900	1900	Unch
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Jun-18	1-Jun-18	
Delhi	Lawrence Road	Mill Delivery	10000	7000	3000
	Narella	Mill Quality Loose	500	400	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	1700	-500
	Dhrol	Mill Quality Loose	50	68	-18
M.P.	Indore	Mill Quality Loose	1000	5000	-4000
Rajasthan	Kota	Mill Quality	10000	10000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	7000	10000	-3000
	Kosi	Mill Quality Loose	1200	800	400
	Hathras	Mill Quality Loose	2500	2500	Unch
	Aligarh	Mill Quality Loose	200	860	-660
Punjab	Khanna	Mill Quality Loose	2000	2000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	800	-400

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

Wheat Products Delhi	2-Jun-18	1-Jun-18	Change
Atta (50kg) Ordinary	1025	1025	Unch
Maida Grade 1 (50KG)	1050	1050	Unch
Suji (50kg)	1075	1075	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:01.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	524.50	528.00	518.25	523.25	-3.00
18-Sep	541.25	544.50	535.50	540.75	-2.25
18-Dec	561.25	565.00	555.75	561.75	-1.00
19-Mar	579.50	582.25	573.00	579.75	-0.50
19-May	590.00	591.00	582.75	590.00	0.50
19-Jul	591.00	595.25	584.25	593.00	0.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2018 Indian Agribusiness Systems Pvt Ltd.