

Wheat Domestic Fundamentals:

All India average monthly prices for wheat decreased by 0.62 percent from Rs 1828.66 (in April -2018) to Rs 1817.36 per qtl in May-2018. Average price (May) is higher by 0.90 percent compared to price (Rs 1801.19 per qtl.) registered in May - 2017. Prices are expected to trade steady to firm.

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 2105-2115 per quintal and Ukrainian wheat at Rs 1910-1920 per quintal. Wheat supplies are likely to tighten this year.

Government agencies have started procurement since 15th March'18. Until 04th June'18 government has procured around 347.24 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, 43.59 lakh tonnes from Uttar Pradesh, 72.87 lakh tonnes have been procured from Madhya Pradesh, 14.97 in Rajasthan, 0.99 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.

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: 04.06.2018 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	-19	1794	1795	1775	1776	1160	260	6320	-570
18-Jul	-28	1808	1808	1782	1782	1350	250	3830	250
18-Aug	-19	1820	1820	1806	1806	50	50	70	40

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	66			
18-July		6		
18-Aug			24	

Stocks	Demat	In- Process	Total	FED
	2.June.18	2.June.18	2.June.18	28.May.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4350	50	4400	3591
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 04.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Jun-18	2-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1745	1755	-10
	Narella	Mill Quality Loose	1710	1715	-5
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	1730	1740	-10
	Ahmedabad	Mill Delivery	1830	1835	-5
	Surat	Mill Delivery	1900	1900	Unch
	Dhrol	Mill Quality Loose	1800	1785	15
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	1770	1780	-10
U.P.	Kanpur	Mill Delivery	1725	1715	10
	Mathura	Mill Quality Loose	1625	1610	15
	Kosi	Mill Quality Loose	1600	1580	20
	Hathras	Mill Quality Loose	1590	1745	-155
	Aligarh	Mill Quality Loose	1620	1610	10
Punjab	Khanna	Mill Quality Loose	1735	1725	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	2150	2175	-25
	Madurai	Mill Quality	2207	2232	-25
	Coimbatore	Mill Quality	2207	2232	-25
Bihar	Khagariya	Mill Delivery	1550	1550	Unch
	Muzaffarpur	Mill Delivery	1475	1475	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	1930	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	1930	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Jun-18	2-Jun-18	
Gujarat	Rajkot	Lokwan	1850	1900	-50
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2550	2500	50
Rajasthan	Kota	LokwanBilty	1850	1900	-50
	Baran	Lokwan	NA	1700	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Jun-18	2-Jun-18	
Delhi	Lawrence Road	Mill Delivery	8000	10000	-2000
	Narella	Mill Quality Loose	700	500	200
	Nazafgarh	Mill Quality Loose	75	100	-25
Gujarat	Rajkot	Mill Quality Loose	1600	1200	400
	Dhrol	Mill Quality Loose	85	50	35
M.P.	Indore	Mill Quality Loose	NA	1000	-
Rajasthan	Kota	Mill Quality	6000	10000	-4000
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	5000	7000	-2000
	Kosi	Mill Quality Loose	1000	1200	-200
	Hathras	Mill Quality Loose	100	3000	-2900
	Aligarh	Mill Quality Loose	800	200	600
Punjab	Khanna	Mill Quality Loose	1500	2000	-500
	(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	600	400	200

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

Wheat Products Delhi	4-Jun-18	2-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: 01.06.2018					
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

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