

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:

Russia was able to export around 1.14 MMT of wheat to Australia during July'17-March-18. Black sea region was able to capture market share in Indonesia due to its competitive pricing and lower freight rates. Russian wheat is also being used in various flour blends in Indonesia.

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.

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

Wheat Futures Contract: NCDEX Price							Date: 06.06.2018 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	-20	1773	1775	1752	1760	1230	70	5870	-450
18-Jul	-13	1782	1786	1756	1774	2620	1,270	5240	1,410
18-Aug	1	1811	1812	1786	1812	20	-30	80	10

Spread	June-18	July-18	Aug-18	
Spot Narela				
18-June	45			
18-July		14		
18-Aug			38	

Stocks	Demat	In- Process	Total	FED
	4.June.18	4.June.18	4.June.18	4.June.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4350	50	4400	4350
Baran	30	0	30	30

Wheat Daily Prices and Arrivals on 05.06.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jun-18	4-Jun-18	
Delhi	Lawrence Road	Mill Delivery	1745	1745	Unch
	Narella	Mill Quality Loose	1715	1710	5
	Nazafgarh	Mill Quality Loose	1705	1700	5
Gujarat	Rajkot	Mill Delivery	1725	1730	-5
	Ahmedabad	Mill Delivery	1825	1830	-5
	Surat	Mill Delivery	1900	1900	Unch
	Dhrol	Mill Quality Loose	1765	1800	-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	1770	1770	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1625	1625	Unch
	Kosi	Mill Quality Loose	1620	1600	20
	Hathras	Mill Quality Loose	1590	1590	Unch
	Aligarh	Mill Quality Loose	1620	1620	Unch
Punjab	Khanna	Mill Quality Loose	1710	1735	-25
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1740	1745	-5
	Hodal	Mill Delivery	1710	1710	Unch

	Bhiwani	Mill Quality Loose	1730	1740	-10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2150	2150	Unch
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
Bihar	Khagariya	Mill Delivery	1550	1550	Unch
	Muzaffarpur	Mill Delivery	1475	1475	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Jun-18	4-Jun-18	
Delhi	Lawrence Road	Mill Delivery	8500	8000	500
	Narella	Mill Quality Loose	400	700	-300
	Nazafgarh	Mill Quality Loose	100	75	25
Gujarat	Rajkot	Mill Quality Loose	1000	1600	-600
	Dhrol	Mill Quality Loose	83	85	-2
M.P.	Indore	Mill Quality Loose	NA	NA	-
Rajasthan	Kota	Mill Quality	8000	6000	2000
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	5000	5000	Unch
	Kosi	Mill Quality Loose	1000	1000	Unch
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	800	800	Unch
Punjab	Khanna	Mill Quality Loose	1300	1500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	800	600	200

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

Wheat Products Delhi	5-Jun-18	4-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:4.6.2018					
Contract Month	Open	High	Low	Close	Change
18-Jul	520.25	521.25	503.25	505.25	-18.00
18-Sep	537.50	538.50	521.00	522.75	-18.00
18-Dec	558.00	558.50	543.00	545.00	-16.75
19-Mar	576.00	576.50	562.00	563.75	-16.00
19-May	586.25	586.25	574.50	575.50	-14.50
19-Jul	590.25	590.25	577.50	580.00	-13.00

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