

**Wheat Domestic Fundamentals:**

**Wheat market is expected to trade steady to slightly firm due to increase in import duty and likely reduction in arrival pressure in upcoming weeks.** Increase in import duty is likely to put a complete halt on imports in MY 2019-20. Availability in domestic market is sufficient to meet domestic demand.

**Government agencies have started procurement. Until 03rd May'19 government has procured around 242.52 lakh tonnes of wheat.** Of the total quantity procured, around 99.76 lakh tonnes have been procured from Punjab, 82.11 lakh tonnes from Haryana, 12.30 lakh tonnes from Uttar Pradesh, 42.05 lakh tonnes from Madhya Pradesh, 5.93 lakh tonnes from Rajasthan, 0.22 lakh tonnes from Uttarakhand, 0.11 lakh tonnes from Chandigarh and 0.04 lakh tonnes from Gujarat. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

**All India weekly average prices increased by 1.94 percent to Rs. 2045.95 per quintal during the week ended 31st April 2019.** Wheat average price were ruling at Rs 2007.07 per quintal during 16-23 April 2019. As compared to prices in the week 24-31 April 2018, the prices are firm by 7.03 percent. Prices are expected to remain steady to slightly firm in coming weeks due to hike in import duty and decrease in arrival pressure.

**Wheat arrivals in Punjab have crossed 10 LMT in past 3-4 days and the state may see record wheat procurement this year.** Until 30th April'19 state agency and FCI have procured 75.55 lakh tonnes of wheat in Punjab. Around 60 percent of the wheat crop has already arrived in Punjab Mandis. Increase in temperature fastened the maturity of wheat crop and led to upsurge in pace of harvest and arrivals in Punjab Mandis.

**Government has increased import duty on wheat from 30 percent to 40 percent. This is done to make sure that there is no window left for cheaper imports.** Three consecutive good production years have led to ample availability in the domestic market. Furthermore, it will also provide support to government in offloading wheat stocks as without any import parity private traders/millers will buy from FCI.

**As per latest update the central government has accepted Chief Minister Captain Amarinder Singh's request to relax wheat specifications for procuring in MY 2019-20 due to luster loss in past weeks.** The relaxation is applicable with immediate effect. District wise percentage relaxation has also been allowed. In Bathinda, Faridkot, Mukhtsar and Ferozepur percentage relaxation of up to 50 percentage has been provided, while Fazilka and Hoshiarpur received a relaxation of up to 75 percentage.

**India mainly imports from Australia and Russia. Wheat prices remained weak in past week.** As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$328.90 (Rs 23069.05) per tonne and \$309.34 (Rs 21697.67) per tonne respectively, after including freight and import duty @30%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 21500 per tonne and Rs 22000 per tonne respectively.

**As per trade source, India has exported around 10.69 thousand tonnes in the month of March-2019.** The quantity in March-2019 was exported at an average FOB of \$ 341.00 per tonne and the major destinations were Nepal, UAE and Sri Lanka. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

**International Market Update:**

**Algeria state grains agency OAIC has bought around 200000 tonnes of durum wheat in a tender that closed on Wednesday.** The prices paid were in the range of \$268.00 - \$270.00 per tonne (Cost and Freight). Most of the quantity is expected to be sourced from Canada. Algeria does not disclose the results of its tenders and purchase reports are based on trade assessments. The quantity is to be shipped between in the month of June.

**Russian milling wheat prices were weak by \$3 per tonne at Novorossiysk and by \$2-3 per tonne at Odessa port.** Good prospects for global wheat production and favorable weather conditions. As per IGC, Russia is expected to produce 77.10 MMT in 2019-20 compared to 71.70 MMT in 2018-19. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$219.00-223.00/tonne and milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$218.00-223.00/tonne.

**As per latest update, Tunisia has bought around 92000 tonnes of soft milling wheat in three consignments of 25000 tonnes each and one of 17000 tonnes.** The consignments were bought in the range of \$210.98-228.22 per tonnes C&F. The sellers were Cofco and Cargill. The said quantity is to be delivered between late May and early July.

**Outlook:** Cash market is likely to trade steady to slightly firm in the near term.

Wheat Futures Contact: NCDEX Price							Date:03.05.2019 at 5:00 PM		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
19-May	0	1892	1907	1892	1900	3490	-2,140	10900	1,900
19-Jun	0	1926	1930	1920	1926	0	-180	580	0
19-Jul	0	1926	1926	1926	1926	0	0	0	0

Spread	May-19	June-19	July-19
Spot Narella			
19-May	60		
19-Jun		26	
19-Jul			0

Stocks	Demat	In-Process	Total	EDD
	02.May.19	02.May.19	02.May.19	29.Apr.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4840	1526	6366	4054
Baran	-	-	-	-

### Wheat Daily Prices and Arrivals on 03.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-May-19	2-May-19	
Delhi	Lawrence Road	Mill Delivery	1900	1905	-5
	Narella	Mill Quality Loose	1840	1840	Unch
	Nazafgarh	Mill Quality Loose	1800	1760	40
Gujarat	Rajkot	Mill Delivery	1910	1910	Unch
	Ahmedabad	Mill Delivery	1960	1960	Unch
	Surat	Mill Delivery	2010	2020	-10
	Dhrol	Mill Quality Loose	2320	2130	190
M.P.	Indore	Mill Delivery	1850	1850	Unch
	Bhopal	Mill Quality Loose	1750	1750	Unch
Rajasthan	Kota	Mill Quality Loose	1800	1770	30
		Mill Delivery	1950	1900	50
U.P.	Kanpur	Mill Delivery	1790	1790	Unch
	Mathura	Mill Quality Loose	1740	1705	35
	Kosi	Mill Quality Loose	1770	1770	Unch
	Hathras	Mill Quality Loose	1740	1730	10
	Aligarh	Mill Quality Loose	1725	1725	Unch
Punjab	Khanna	Mill Quality Loose	1840	1840	Unch
	Ludhiana (Jagraon)	Mill Delivery	1865	1865	Unch
Haryana	Sirsa	Mill Delivery loose	1840	1840	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1840	1840	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1840	1840	Unch
Tamil Nadu	Chennai	Mill Quality	2250	2200	50
	Madurai	Mill Quality	2307	2257	50
	Coimbatore	Mill Quality	2307	2257	50
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1775	1700	75
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-May-19	2-May-19	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	2000	2000	Unch
	Baran	Lokwan	1850	1900	-50

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-May-19	2-May-19	
Delhi	Lawrence Road	Mill Delivery	11000	10000	1000
	Narella	Mill Quality Loose	1000	1000	Unch
	Nazafgarh	Mill Quality Loose	400	800	-400
Gujarat	Rajkot	Mill Quality Loose	2200	1800	400
	Dhrol	Mill Quality Loose	1	23	-22
M.P.	Indore	Mill Quality Loose	10000	12000	-2000
Rajasthan	Kota	Mill Quality	50000	70000	-20000
U.P.	Kanpur	Mill Quality Loose	1500	2000	-500
	Mathura	Mill Quality Loose	5000	15000	-10000
	Kosi	Mill Quality Loose	1000	1500	-500
	Hathras	Mill Quality Loose	800	800	Unch
	Aligarh	Mill Quality Loose	15000	15000	Unch
Punjab	Khanna	Mill Quality Loose	80000	150000	-70000
	(Ludhiana)Jagraon	Mill Quality Loose	20000	40000	-20000
Haryana	Sirsa	Mill Quality Loose	10000	10000	Unch
	Hodal	Mill Quality Loose	8000	20000	-12000
	Bhiwani	Mill Quality Loose	5000	7000	-2000

	Karnal	Mill Delivery	30000	30000	Unch
	Panipat	Mill Quality Loose	15000	15000	Unch

Wheat Products Delhi	3-May-19	2-May-19	Change
Atta (50kg) Ordinary	1080	1080	Unch
Maida Grade 1 (50KG)	1225	1225	Unch
Suji (50kg)	1230	1230	Unch
Chokar (50 kg)	830	830	Unch
Chokar (34 kg)	565	565	Unch
Chakki Atta (50kg)	1220	1220	Unch
Chakki Atta (50kg) Special	1250	1250	Unch
Chakki Atta (90kg) Superfine	2320	2320	Unch
Chakki Atta (50kg) Superfine	1290	1290	Unch

Wheat (CBOT) Future Price: 02.05.2019					
Contract Month	Open	High	Low	Close	Change
19-May	428.50	438.25	428.25	433.25	8.25
19-Jul	436.75	448.50	435.50	444.00	8.00
19-Sep	444.50	455.50	443.00	451.75	8.50
19-Dec	460.25	471.50	458.75	467.75	8.25
20-Mar	477.00	487.50	477.00	483.50	7.50
20-May	487.00	496.00	487.00	492.25	6.25

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