

**Wheat Domestic Fundamentals:**

**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 \$337.40 (Rs 23405.44) per tonne and \$311.22 (Rs 21589.33) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 22000 per tonne and Rs 22500 per tonne respectively.

**FCI will sell wheat in the open market at a reserve price of Rs 2080 per quintal during the procurement period April-June and this price will be increased by Rs 55 per quintal in subsequent quarters.** This reserve price is valid for Punjab, Haryana and Madhya Pradesh. For other states, railway freight (Ex-Ludhiana) and road transport cost will be added to the reserve price of the nearest depot. Reserve price for MY 2019-20 is higher by Rs 240 per quintal compared to MSP. Therefore private millers/traders may try to buy as much quantity as possible to during procurement season to avoid paying a higher price later.

**India has seen three consecutive years of good wheat production. Wheat prices are likely to stay steady to slightly firm as arrival pressure is likely to ease in domestic market. Import duty of 40% on wheat will ensure there are no imports from Australia and Russia/Ukraine.** Import restriction due to duty has provided favorable prices for wheat in domestic market. However, domestic prices are not able to get support from exports as other major producing country are able provide wheat at lower prices.

**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.

**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.

**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:**

**Favorable weather during spring season in black sea region has increased the probability of bumper grain harvest. The level of soil moisture is good in major grain producing regions.** As per IGC, Russia and Ukraine are expected to produce 79.50 MMT and 27.50 MMT of wheat in 2019-20. Black sea is likely to dominate global exports in 2019-20.

**Australia has started sowing wheat in dry soil conditions for the third consecutive year.** If the current weather condition persists, wheat production will be around 18.00 MMT. However wheat prices will not spike due to ample availability in global market. Traditional buyer of Australian wheat, such as Indonesia, have turned to Russia and Ukraine to secure supplies.

**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.

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

Wheat Futures Contact: NCDEX Price							Date:06.05.2019 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	3	1901	1905	1901	1904	320	-3,170	10970	70
19-Jun	-2	1931	1931	1925	1929	210	210	720	140
19-Jul	0	1931	1931	1931	1931	0	0	0	0

Spread	May-19	June-19	July-19
Spot Narella			
19-May	64		
19-Jun		25	
19-Jul			2

Stocks	Demat	In-Process	Total	EDD
	04.May.19	04.May.19	04.May.19	29.Apr.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	6745	201	6946	4054
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 06.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-May-19	4-May-19	
Delhi	Lawrence Road	Mill Delivery	1925	1920	5
	Narella	Mill Quality Loose	1840	1850	-10
	Nazafgarh	Mill Quality Loose	1800	1800	Unch
Gujarat	Rajkot	Mill Delivery	1910	1910	Unch
	Ahmedabad	Mill Delivery	1960	1960	Unch
	Surat	Mill Delivery	2010	2010	Unch
	Dhrol	Mill Quality Loose	2280	2255	25
M.P.	Indore	Mill Delivery	1895	Closed	-
	Bhopal	Mill Quality Loose	1750	Closed	-
Rajasthan	Kota	Mill Quality Loose	1820	1800	20
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1800	1790	10
	Mathura	Mill Quality Loose	1750	1700	50
	Kosi	Mill Quality Loose	1800	1780	20
	Hathras	Mill Quality Loose	NA	1740	-
	Aligarh	Mill Quality Loose	1740	1740	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	1850	1840	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1840	1840	Unch
Tamil Nadu	Chennai	Mill Quality	2250	2250	Unch
	Madurai	Mill Quality	2307	2307	Unch
	Coimbatore	Mill Quality	2307	2307	Unch
Bihar	Khagariya	Mill Delivery	Closed	1700	-
	Muzaffarpur	Mill Delivery	Closed	1775	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-May-19	4-May-19	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2200	Closed	-
	Bhopal	Lokwan	1950	Closed	-
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	Lokwan Bilty	2050	2000	50
	Baran	Lokwan	1850	1850	Unch

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-May-19	4-May-19	
Delhi	Lawrence Road	Mill Delivery	12000	10000	2000
	Narella	Mill Quality Loose	800	700	100
	Nazafgarh	Mill Quality Loose	200	400	-200
Gujarat	Rajkot	Mill Quality Loose	2000	1500	500
	Dhrol	Mill Quality Loose	31	26	5
M.P.	Indore	Mill Quality Loose	13000	Closed	-
Rajasthan	Kota	Mill Quality	30000	30000	Unch
U.P.	Kanpur	Mill Quality Loose	3000	1500	1500
	Mathura	Mill Quality Loose	6000	2500	3500
	Kosi	Mill Quality Loose	200	1000	-800
	Hathras	Mill Quality Loose	NA	800	-
	Aligarh	Mill Quality Loose	10000	8000	2000
Punjab	Khanna	Mill Quality Loose	70000	70000	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	5000	10000	-5000
Haryana	Sirsa	Mill Quality Loose	8000	8000	Unch
	Hodal	Mill Quality Loose	3000	7000	-4000
	Bhiwani	Mill Quality Loose	7000	5000	2000

	Karnal	Mill Delivery	20000	30000	<b>-10000</b>
	Panipat	Mill Quality Loose	20000	20000	<b>Unch</b>

Wheat Products Delhi	6-May-19	4-May-19	Change
Atta (50kg) Ordinary	1080	1080	<b>Unch</b>
Maida Grade 1 (50KG)	1225	1225	<b>Unch</b>
Suji (50kg)	1230	1230	<b>Unch</b>
Chokar (50 kg)	830	830	<b>Unch</b>
Chokar (34 kg)	565	565	<b>Unch</b>
Chakki Atta (50kg)	1220	1220	<b>Unch</b>
Chakki Atta (50kg) Special	1250	1250	<b>Unch</b>
Chakki Atta (90kg) Superfine	2320	2320	<b>Unch</b>
Chakki Atta (50kg) Superfine	1290	1290	<b>Unch</b>

Wheat (CBOT) Future Price: 03.05.2019					
Contract Month	Open	High	Low	Close	Change
<b>19-May</b>	427.50	428.00	427.00	428.00	<b>-5.25</b>
<b>19-Jul</b>	445.00	448.00	436.00	438.00	<b>-6.00</b>
<b>19-Sep</b>	452.50	455.50	444.25	446.75	<b>-5.00</b>
<b>19-Dec</b>	468.50	471.25	460.25	463.25	<b>-4.50</b>
<b>20-Mar</b>	485.00	487.00	477.00	479.50	<b>-4.00</b>
<b>20-May</b>	494.25	495.50	486.00	488.50	<b>-3.75</b>

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> © 2019 Indian Agribusiness Systems Ltd.