

Wheat Domestic Fundamentals:

Wheat WPI has decreased from 155.5 in March-2019 to 151.5 in April-2019. Monthly wheat inflation has decreased by 2.57 percent in April-2019 compared to previous month. As compared to April-2018 wheat WPI has increased by around 7.52 percent. Wheat WPI is expected to stay steady to firm in coming month.

All India weekly average prices increased by 1.39 percent to Rs. 2064.84 per quintal during the week ended 15th May 2019. Wheat average price were ruling at Rs 2036.52 per quintal during 01-08 May 2019. As compared to prices in the week 09-15 May 2018, the prices are firm by 11.84 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and decrease in arrival pressure.

Wheat prices have increased in past days as arrival pressure is reducing and private millers/traders are stepping up their purchases. Reserve price for April-June'19 is higher by Rs 240 per quintal compared to MSP for MY 2019-20. Therefore private millers/traders may try to buy as much quantity as possible to during procurement season to avoid paying a higher price.

Government agencies have started procurement. Until 10th May'19 government has procured around 292.61 lakh tonnes of wheat. Of the total quantity procured, around 120.93 lakh tonnes have been procured from Punjab, 90.12 lakh tonnes from Haryana, 19.34 lakh tonnes from Uttar Pradesh, 53.13 lakh tonnes from Madhya Pradesh, 8.59 lakh tonnes from Rajasthan, 0.33 lakh tonnes from Uttarakhand, 0.12 lakh tonnes from Chandigarh and 0.05 lakh tonnes from Gujarat. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

All India weekly average prices decreased by 0.46 percent to Rs. 2036.52 per quintal during the week ended 08th May 2019. Wheat average price were ruling at Rs 2045.95 per quintal during 24-31 April 2019. As compared to prices in the week 01-08 May 2018, the prices are firm by 6.03 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and decrease in arrival pressure.

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.

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.

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:

As per latest update, Tunisia has bought around 75000 tonnes of soft milling wheat. The quantity was bought at \$195.02 per tonnes C&F. The origin for sourcing wheat is optional.

Iraq has harvested about 5 LMT of wheat between since 15th April'19 until 09th May'19. The trade ministry has paid around \$122 million. Iraq is expecting to harvest 5 MMT of wheat during the season. In case, the expectation is achieved Iraq is to import fewer wheat.

Egypt, the largest importer of wheat in the world has procured 1.62 MMT of wheat from local farmers. The procurement season has started since 15th April'19. Egypt is expecting to procure 3.6 MMT of wheat from local farmers during the season. Global prices are likely to remain under pressure due to ample availability, which will allow Egypt to import wheat at competitive prices.

As per the United Nations Food and Agriculture Organization (FAO), world wheat production in 2019 is expected to be at 767.00 MMT in 2019, up by 5 percent compared to 2018. Russia is expected to produce 82 MMT of wheat. World wheat prices will remain under pressure due to abundant availability.

Major feed mill group of South Korea has purchased around 65000 tonnes of feed wheat at \$204.75/tonne cost and freight, including a surcharge for additional port unloading. Feed wheat can be sourced from any optional worldwide origins. The seller is believed to be trading house Cofco.

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

Wheat Futures Contact: NCDEX Price							Date:17.05.2019 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-Jun	-18	2003	2005	1985	1986	1130	-1010	5750	580
19-Jul	-18	2039	2036	2001	2021	750	-60	2450	430
19-Aug	0	2091	2091	2091	2091	0	0	20	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	107		
19-Jul		31	
19-Aug			53

Stocks	Demat	In-Process	Total	EDD
	15.May.19	15.May.19	15.May.19	13.May.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	17323	3051	20374	15852
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 17.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-May-19	16-May-19	
Delhi	Lawrence Road	Mill Delivery	1990	1980	10
	Narella	Mill Quality Loose	1900	1900	Unch
	Nazafgarh	Mill Quality Loose	1900	1900	Unch
Gujarat	Rajkot	Mill Delivery	2025	2035	-10
	Ahmedabad	Mill Delivery	1970	2030	-60
	Surat	Mill Delivery	2010	2100	-90
	Dhrol	Mill Quality Loose	2200	2100	100
M.P.	Indore	Mill Delivery	2000	1990	10
	Bhopal	Mill Quality Loose	1950	1975	-25
Rajasthan	Kota	Mill Quality Loose	1915	1875	40
		Mill Delivery	2050	2025	25
U.P.	Kanpur	Mill Delivery	1880	1880	Unch
	Mathura	Mill Quality Loose	1821	1790	31
	Kosi	Mill Quality Loose	1840	1815	25
	Hathras	Mill Quality Loose	1845	1860	-15
	Aligarh	Mill Quality Loose	1800	1800	Unch
Punjab	Khanna	Mill Quality Loose	1850	1850	Unch
	Ludhiana (Jagraon)	Mill Delivery	2000	2000	Unch
Haryana	Sirsa	Mill Delivery loose	1880	1870	10
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1900	1925	-25
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1840	1840	Unch
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
Bihar	Khagariya	Mill Delivery	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1700	1700	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-May-19	16-May-19	
Gujarat	Rajkot	Lokwan	2175	2200	-25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2600	2600	Unch
Rajasthan	Kota	Lokwan Bilty	2150	2050	100
	Baran	Lokwan	2000	1950	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-May-19	16-May-19	
Delhi	Lawrence Road	Mill Delivery	10000	8000	2000
	Narella	Mill Quality Loose	2000	2000	Unch
	Nazafgarh	Mill Quality Loose	200	200	Unch
Gujarat	Rajkot	Mill Quality Loose	1300	1200	100
	Dhrol	Mill Quality Loose	20	12	8
M.P.	Indore	Mill Quality Loose	10000	10000	Unch
Rajasthan	Kota	Mill Quality	35000	40000	-5000
U.P.	Kanpur	Mill Quality Loose	6000	5000	1000
	Mathura	Mill Quality Loose	3000	3000	Unch
	Kosi	Mill Quality Loose	100	500	-400
	Hathras	Mill Quality Loose	1300	500	800
	Aligarh	Mill Quality Loose	5000	4000	1000
Punjab	Khanna	Mill Quality Loose	8000	10000	-2000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	500	-
Haryana	Sirsa	Mill Quality Loose	1000	2000	-1000
	Hodal	Mill Quality Loose	5000	4500	500
	Bhiwani	Mill Quality Loose	1000	2000	-1000

	Karnal	Mill Delivery	4000	4000	Unch
	Panipat	Mill Quality Loose	50	200	-150

Wheat Products Delhi	17-May-19	16-May-19	Change
Atta (50kg) Ordinary	1050	1050	Unch
Maida Grade 1 (50KG)	1225	1225	Unch
Suji (50kg)	1200	1200	Unch
Chokar (50 kg)	830	830	Unch
Chokar (34 kg)	565	565	Unch
Chakki Atta (50kg)	1200	1200	Unch
Chakki Atta (50kg) Special	1225	1225	Unch
Chakki Atta (90kg) Superfine	2270	2270	Unch
Chakki Atta (50kg) Superfine	1260	1260	Unch

Wheat (CBOT) Future Price: 16.05.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	446.25	468.50	446.25	467.00	18.25
19-Sep	453.25	474.75	453.25	473.50	17.25
19-Dec	467.50	488.00	467.50	486.25	15.75
20-Mar	482.75	500.50	482.50	498.75	14.25
20-May	490.50	507.25	490.50	505.75	13.25
20-Jul	494.00	506.50	494.00	506.00	12.50

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