

**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 18.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-May-19	17-May-19	
Delhi	Lawrence Road	Mill Delivery	1990	1990	Unch
	Narella	Mill Quality Loose	1990	1900	90
	Nazafgarh	Mill Quality Loose	1900	1900	Unch
Gujarat	Rajkot	Mill Delivery	2030	2025	5
	Ahmedabad	Mill Delivery	1970	1970	Unch
	Surat	Mill Delivery	2010	2010	Unch
	Dhrol	Mill Quality Loose	2265	2200	65
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1900	1915	-15
		Mill Delivery	2030	2050	-20
U.P.	Kanpur	Mill Delivery	1875	1880	-5
	Mathura	Mill Quality Loose	1810	1821	-11
	Kosi	Mill Quality Loose	1850	1840	10
	Hathras	Mill Quality Loose	1845	1845	Unch
	Aligarh	Mill Quality Loose	1825	1800	25
Punjab	Khanna	Mill Quality Loose	1870	1850	20
	Ludhiana (Jagraon)	Mill Delivery	2000	2000	Unch
Haryana	Sirsa	Mill Delivery loose	1875	1880	-5
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1900	1900	Unch
	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
			18-May-19	17-May-19	
Gujarat	Rajkot	Lokwan	2200	2175	25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2000	2100	-100
	Bina	Sarbati 306	Closed	2600	-
Rajasthan	Kota	Lokwan Bilty	2150	2150	Unch
	Baran	Lokwan	2000	2000	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-May-19	17-May-19	
Delhi	Lawrence Road	Mill Delivery	10000	10000	Unch
	Narella	Mill Quality Loose	1500	2000	-500
	Nazafgarh	Mill Quality Loose	NA	200	-
Gujarat	Rajkot	Mill Quality Loose	1400	1300	100
	Dhrol	Mill Quality Loose	14	20	-6
M.P.	Indore	Mill Quality Loose	10000	10000	Unch
Rajasthan	Kota	Mill Quality	40000	35000	5000
U.P.	Kanpur	Mill Quality Loose	6000	6000	Unch
	Mathura	Mill Quality Loose	2000	3000	-1000
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	1300	1300	Unch
	Aligarh	Mill Quality Loose	3000	5000	-2000
Punjab	Khanna	Mill Quality Loose	12000	8000	4000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	700	1000	-300
	Hodal	Mill Quality Loose	4000	5000	-1000
	Bhiwani	Mill Quality Loose	1000	1000	Unch

	Karnal	Mill Delivery	500	3500	<b>-3000</b>
	Panipat	Mill Quality Loose	NA	50	-

Wheat Products Delhi	18-May-19	17-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: 17.05.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	469.00	473.25	462.50	465.00	<b>-2.00</b>
19-Sep	475.50	479.25	469.00	471.25	<b>-2.25</b>
19-Dec	488.00	491.25	482.00	484.25	<b>-2.00</b>
20-Mar	500.50	502.75	495.25	496.75	<b>-2.00</b>
20-May	507.75	509.00	502.25	503.75	<b>-2.00</b>
20-Jul	508.00	508.00	502.00	503.50	<b>-2.50</b>

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