

**Wheat Domestic Fundamentals:**

**As per trade source, India has exported around 5.57 thousand tonnes in the month of April-2019.** The quantity in April-2019 was exported at an average FOB of \$ 388.15 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.

**Government agencies have started procurement. Until 17th May'19 government has procured around 319.05 lakh tonnes of wheat.** Of the total quantity procured, around 126.40 lakh tonnes have been procured from Punjab, 93.08 lakh tonnes from Haryana, 25.30 lakh tonnes from Uttar Pradesh, 63.12 lakh tonnes from Madhya Pradesh, 10.58 lakh tonnes from Rajasthan, 0.39 lakh tonnes from Uttarakhand, 0.12 lakh tonnes from Chandigarh, 0.05 lakh tonnes from Gujarat and 0.01 lakh tonnes from Himachal Pradesh. In Rabi marketing season 2019-20 government has set procurement target of 35.70 MMT.

**As per trade sources, after increase in import duty to 40 percent imports have decreased substantially.** India has imported 498.77 MT of Australia prime hard wheat at Tuticorin port in the month of April-19. Imports are expected to be low this year due to good domestic availability and increase in import duty. Prior to this, India has imported around 1000 tonnes in the month of September-2018.

**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.

**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 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.

**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:20.05.2019 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	+16	1995	2011	1991	2005	2770	+1,640	6610	+860
19-Jul	+6	2025	2040	2025	2028	350	-400	2470	+20
19-Aug	0	2055	2055	2055	2055	10	+10	20	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	125		
19-Jul		23	
19-Aug			27

Stocks	Demat	In-Process	Total	EDD
	18.May.19	18.May.19	18.May.19	13.May.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	20812	928	21740	15852
Baran	-	-	-	-

## Wheat Daily Prices and Arrivals on 20.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-May-19	18-May-19	
Delhi	Lawrence Road	Mill Delivery	1985	1990	-5
	Narella	Mill Quality Loose	1880	1990	-110
	Nazafgarh	Mill Quality Loose	1900	1900	Unch
Gujarat	Rajkot	Mill Delivery	2010	2030	-20
	Ahmedabad	Mill Delivery	1960	1970	-10
	Surat	Mill Delivery	2010	2010	Unch
	Dhrol	Mill Quality Loose	2320	2265	55
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1950	1950	Unch
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2050	2030	20
U.P.	Kanpur	Mill Delivery	1875	1875	Unch
	Mathura	Mill Quality Loose	1815	1810	5
	Kosi	Mill Quality Loose	1850	1850	Unch
	Hathras	Mill Quality Loose	Closed	1845	-
	Aligarh	Mill Quality Loose	Closed	1825	-
Punjab	Khanna	Mill Quality Loose	1870	1870	Unch
	Ludhiana (Jagraon)	Mill Delivery	2000	2000	Unch
Haryana	Sirsa	Mill Delivery loose	1875	1875	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1890	1900	<b>-10</b>
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	1840	1840	<b>Unch</b>
<b>Tamil Nadu</b>	Chennai	Mill Quality	2300	2300	<b>Unch</b>
	Madurai	Mill Quality	2357	2357	<b>Unch</b>
	Coimbatore	Mill Quality	2357	2357	<b>Unch</b>
<b>Bihar</b>	Khagariya	Mill Delivery	1800	1750	<b>50</b>
	Muzaffarpur	Mill Delivery	1750	1700	<b>50</b>
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-May-19	18-May-19	
<b>Gujarat</b>	Rajkot	Lokwan	2150	2200	<b>-50</b>
<b>M.P.</b>	Indore	Lokwan	2300	2300	<b>Unch</b>
	Bhopal	Lokwan	2050	2000	<b>50</b>
	Bina	Sarbati 306	2650	Closed	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2150	2150	<b>Unch</b>
	Baran	Lokwan	2000	2000	<b>Unch</b>

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-May-19	18-May-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	10000	10000	<b>Unch</b>
	Narella	Mill Quality Loose	2000	1500	<b>500</b>
	Nazafgarh	Mill Quality Loose	100	NA	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1200	1400	<b>-200</b>
	Dhrol	Mill Quality Loose	16	14	<b>2</b>
<b>M.P.</b>	Indore	Mill Quality Loose	9000	10000	<b>-1000</b>
<b>Rajasthan</b>	Kota	Mill Quality	35000	40000	<b>-5000</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	5500	6000	<b>-500</b>
	Mathura	Mill Quality Loose	2500	2000	<b>500</b>
	Kosi	Mill Quality Loose	200	100	<b>100</b>
	Hathras	Mill Quality Loose	Closed	1300	-
	Aligarh	Mill Quality Loose	Closed	3000	-
<b>Punjab</b>	Khanna	Mill Quality Loose	4000	12000	<b>-8000</b>
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	2000	700	<b>1300</b>
	Hodal	Mill Quality Loose	2000	4000	<b>-2000</b>
	Bhiwani	Mill Quality Loose	500	1000	<b>-500</b>

	Karnal	Mill Delivery	2000	500	1500
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	20-May-19	18-May-19	Change
Atta (50kg) Ordinary	1050	1050	Unch
Maida Grade 1 (50KG)	1225	1225	Unch
Suji (50kg)	1200	1200	Unch
Chokar (50 kg)	850	830	20
Chokar (34 kg)	578	565	13
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	-2.00
19-Sep	475.50	479.25	469.00	471.25	-2.25
19-Dec	488.00	491.25	482.00	484.25	-2.00
20-Mar	500.50	502.75	495.25	496.75	-2.00
20-May	507.75	509.00	502.25	503.75	-2.00
20-Jul	508.00	508.00	502.00	503.50	-2.50

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