

Wheat Domestic Fundamentals:

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.

Government agencies have started procurement. Until 20th May'19 government has procured around 323.68 lakh tonnes of wheat. Of the total quantity procured, around 127.01 lakh tonnes have been procured from Punjab, 93.20 lakh tonnes from Haryana, 26.56 lakh tonnes from Uttar Pradesh, 65.45 lakh tonnes from Madhya Pradesh, 10.89 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 market sources, wheat stock in central pool as on 1st May'19 stood at 331.60 lakh tonnes up by 95.15% compared to last month. This quantity is lower by around 6.18% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

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.

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.

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:22.05.2019 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	-29	1988	1988	1966	1968	2560	150	8080	620
19-Jul	-27	2027	2022	1996	2000	1430	560	3480	620
19-Aug	-	-	-	-	-	-	-	-	-

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	108		
19-Jul		32	
19-Aug			-

Stocks	Demat	In-Process	Total	EDD
	21.May.19	21.May.19	21.May.19	20.May.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	21989	1894	23883	21739
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 22.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-May-19	21-May-19	
Delhi	Lawrence Road	Mill Delivery	1975	1985	-10
	Narella	Mill Quality Loose	Closed	1860	-
	Nazafgarh	Mill Quality Loose	Closed	1900	-
Gujarat	Rajkot	Mill Delivery	2020	2010	10
	Ahmedabad	Mill Delivery	1970	1950	20
	Surat	Mill Delivery	2030	2010	20
	Dhrol	Mill Quality Loose	2140	2225	-85
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1950	1960	-10
U.P.	Kanpur	Mill Delivery	Closed	1870	-
	Mathura	Mill Quality Loose	Closed	1815	-
	Kosi	Mill Quality Loose	1890	1850	40
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	Closed	1825	-
Punjab	Khanna	Mill Quality Loose	1860	1870	-10
	Ludhiana (Jagraon)	Mill Delivery	2000	2000	Unch
Haryana	Sirsa	Mill Delivery loose	1880	1880	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1880	1890	-10
	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	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1750	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-May-19	21-May-19	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	Closed	2650	-
Rajasthan	Kota	Lokwan Bilty	2050	2060	-10
	Baran	Lokwan	2050	2000	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-May-19	21-May-19	
Delhi	Lawrence Road	Mill Delivery	10000	12000	-2000
	Narella	Mill Quality Loose	Closed	1500	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	1400	1500	-100
	Dhrol	Mill Quality Loose	49	41	8
M.P.	Indore	Mill Quality Loose	10000	7000	3000
Rajasthan	Kota	Mill Quality	50000	50000	Unch
U.P.	Kanpur	Mill Quality Loose	Closed	3000	-
	Mathura	Mill Quality Loose	Closed	2500	-
	Kosi	Mill Quality Loose	300	100	200
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	Closed	2500	-
Punjab	Khanna	Mill Quality Loose	5000	4000	1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	2000	1500	500
	Hodal	Mill Quality Loose	2000	2000	Unch
	Bhiwani	Mill Quality Loose	1000	1000	Unch

	Karnal	Mill Delivery	NA	1000	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	22-May-19	21-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	850	Unch
Chokar (34 kg)	578	578	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: 21.05.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	486.25	492.75	474.00	478.75	0.50
19-Sep	493.50	499.25	481.50	486.00	0.75
19-Dec	505.75	510.00	493.50	498.25	0.50
20-Mar	517.25	520.00	505.25	509.75	-0.50
20-May	522.00	524.25	510.25	514.75	-1.75
20-Jul	521.50	522.00	507.25	511.75	-3.25

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