

Wheat Domestic Fundamentals:

Government agencies have started procurement. Until 27th May'19 government has procured around 332.16 lakh tonnes of wheat. Of the total quantity procured, around 129.12 lakh tonnes have been procured from Punjab, 93.20 lakh tonnes from Haryana, 29.95 lakh tonnes from Uttar Pradesh, 67.25 lakh tonnes from Madhya Pradesh, 0.01 lakh tonnes from Bihar, 12.04 lakh tonnes from Rajasthan, 0.41 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.

Government has offered 2120600 tonnes of wheat in OMSS until second tender in May'19 out of which 40500 tonnes was sold. No bidders were sold. State government and bulk consumers bought 40000 tonnes and 500 tonnes of wheat respectively. Government will sell wheat in open market at a reserve price of Rs 2080 per quintal in the first quarter i.e. April-June. For second, third and fourth quarter prices will be Rs 2135 per quintal, Rs 2190 per quintal and Rs 2245 per quintal respectively. 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 increased by 0.48 percent to Rs. 2074.82 per quintal during the week ended 23rd May 2019. Wheat average price were ruling at Rs 2064.84 per quintal during 09-15 May 2019. As compared to prices in the week 16-23 May 2018, the prices are firm by 14.30 percent. Prices are expected to remain steady to firm in coming days due to hike in import duty and decrease in arrival pressure.

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.

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.

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:

Bangladesh has bought 50000 tonnes of wheat with 12.5 percent protein content from trading house Agrocorp at \$267.98 per tonne. The wheat can be sourced from United States, Canada, Russia or Ukraine. As per FAO Bangladesh's wheat imports for 2018-19 are expected to touch record high of 6 MMT. Demand for wheat in Bangladesh has increased as wheat is being substituted for more expensive rice.

As per latest update, Ethiopia state purchasing agency has bought 6 LMT of wheat in a tender. Of the total quantity around 5 LMT was purchased from Gemcorp commodities and 1 LMT from Agrocorp international. The wheat can be sourced from Black sea region, Europe, North America or South America.

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.

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

Wheat Futures Contact: NCDEX Price							Date:27.05.2019 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	-10	1949	1951	1931	1940	2750	210	9270	350
19-Jul	-13	1986	1986	1964	1971	1470	-490	4840	360
19-Aug	0	2018	2018	2018	2018	0	-10	20	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	40		
19-Jul		31	
19-Aug			47

Stocks	Demat	In-Process	Total	EDD
	25.May.19	25.May.19	25.May.19	20.May.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	23338	4116	27454	21739
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 27.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-May-19	25-May-19	
Delhi	Lawrence Road	Mill Delivery	1985	1965	20
	Narella	Mill Quality Loose	1900	1900	Unch
	Nazafgarh	Mill Quality Loose	1875	1900	-25
Gujarat	Rajkot	Mill Delivery	2000	2000	Unch
	Ahmedabad	Mill Delivery	2030	1940	90
	Surat	Mill Delivery	2080	2000	80
	Dhrol	Mill Quality Loose	2100	2010	90
M.P.	Indore	Mill Delivery	1990	1990	Unch
	Bhopal	Mill Quality Loose	1925	1925	Unch
Rajasthan	Kota	Mill Quality Loose	1800	1840	-40
		Mill Delivery	1950	1950	Unch
U.P.	Kanpur	Mill Delivery	1865	1870	-5
	Mathura	Mill Quality Loose	1800	Closed	-
	Kosi	Mill Quality Loose	1850	1840	10
	Hathras	Mill Quality Loose	1880	1825	55
	Aligarh	Mill Quality Loose	1860	1810	50
Punjab	Khanna	Mill Quality Loose	1890	1890	Unch
	Ludhiana (Jagraon)	Mill Delivery	2000	2000	Unch
Haryana	Sirsa	Mill Delivery loose	1870	1870	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1860	1860	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	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1850	-50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-May-19	25-May-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2700	2600	100
Rajasthan	Kota	Lokwan Bilty	2050	2050	Unch
	Baran	Lokwan	1950	1950	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-May-19	25-May-19	
Delhi	Lawrence Road	Mill Delivery	12000	7000	5000
	Narella	Mill Quality Loose	1500	1000	500
	Nazafgarh	Mill Quality Loose	250	150	100
Gujarat	Rajkot	Mill Quality Loose	1600	1400	200
	Dhrol	Mill Quality Loose	25	9	16
M.P.	Indore	Mill Quality Loose	12000	13000	-1000
Rajasthan	Kota	Mill Quality	25000	35000	-10000
U.P.	Kanpur	Mill Quality Loose	3000	4000	-1000
	Mathura	Mill Quality Loose	4000	Closed	-
	Kosi	Mill Quality Loose	100	100	Unch
	Hathras	Mill Quality Loose	1300	1000	300
	Aligarh	Mill Quality Loose	5000	2000	3000
Punjab	Khanna	Mill Quality Loose	5000	6000	-1000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	1000	1000	Unch
	Bhiwani	Mill Quality Loose	500	800	-300

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

Wheat Products Delhi	27-May-19	25-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: 24.05.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	469.75	490.75	467.25	489.50	19.25
19-Sep	478.25	498.25	475.00	496.75	18.50
19-Dec	491.75	511.25	489.25	509.75	17.25
20-Mar	505.75	523.25	503.25	522.25	16.25
20-May	512.25	528.75	511.50	528.50	16.00
20-Jul	511.25	528.00	511.25	527.25	16.25

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