

**Wheat Domestic Fundamentals:**

**Wheat prices remained firm today due to marginal increase in pick up from traders/millers.** Most of the bulk buyers have already picked up stocks required for some time and reduced their purchase in open market. In near future, prices are expected to stay steady to firm.

**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 rakes 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.

**International Market Update:**

**Russian wheat prices increased by \$2 per tonne in the past week. The firmness in prices was mainly due to increase in global benchmark such as CBOT.** Wheat with 12.5 percent protein was quoted at FoB \$188 per tonne. Russia will start harvesting its winter wheat crop in late June or early July.

**Major feed mill group of South Korea has purchased around 120000 tonnes of feed wheat in two consignments of 60000 tonnes each.** One consignment was bought at \$207.90/tonne C&F schedule to arrive around September 30th and other at \$208.95/tonne C&F scheduled to arrive around November 30th. Feed wheat can be sourced from Black sea region.

**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.

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

| Wheat Futures Contact: NCDEX Price |                       |      |      |      |       |        | Date:29.05.2019 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                             | +1                    | 1941 | 1948 | 1941 | 1942  | 480    | -210                       | 9530 | +30                   |
| 19-Jul                             | +10                   | 1980 | 1982 | 1975 | 1981  | 320    | +190                       | 4980 | +90                   |
| 19-Aug                             | 0                     | 2001 | 2001 | 2001 | 2001  | 0      | 0                          | 20   | 0                     |

| Spread       | June-19 | July-19 | Aug-19 |
|--------------|---------|---------|--------|
| Spot Narella |         |         |        |
| 19-Jun       | 42      |         |        |
| 19-Jul       |         | 39      |        |
| 19-Aug       |         |         | 20     |

| Stocks | Demat     | In-Process | Total     | EDD       |
|--------|-----------|------------|-----------|-----------|
|        | 28.May.19 | 28.May.19  | 28.May.19 | 27.May.19 |
| Delhi  | -         | -          | -         | -         |
| Itarsi | -         | -          | -         | -         |
| Kanpur | -         | -          | -         | -         |
| Kota   | 26482     | 2056       | 28538     | 26352     |
| Baran  | -         | -          | -         | -         |

### Wheat Daily Prices and Arrivals on 29.05.2019

| Centre    | Market             | Variety             | Prices (Rs/Qtl) |           | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
|           |                    |                     | 29-May-19       | 28-May-19 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1980            | 1985      | -5     |
|           | Narella            | Mill Quality Loose  | Closed          | 1900      | -      |
|           | Nazafgarh          | Mill Quality Loose  | Closed          | 1850      | -      |
| Gujarat   | Rajkot             | Mill Delivery       | 1940            | 1960      | -20    |
|           | Ahmedabad          | Mill Delivery       | 1910            | 1940      | -30    |
|           | Surat              | Mill Delivery       | 1940            | 1980      | -40    |
|           | Dhrol              | Mill Quality Loose  | 1935            | 2025      | -90    |
| M.P.      | Indore             | Mill Delivery       | 1945            | 1960      | -15    |
|           | Bhopal             | Mill Quality Loose  | 1800            | 1830      | -30    |
| Rajasthan | Kota               | Mill Quality Loose  | 1800            | 1800      | Unch   |
|           |                    | Mill Delivery       | 1950            | 1950      | Unch   |
| U.P.      | Kanpur             | Mill Delivery       | 1850            | 1860      | -10    |
|           | Mathura            | Mill Quality Loose  | 1790            | 1800      | -10    |
|           | Kosi               | Mill Quality Loose  | 1850            | 1850      | Unch   |
|           | Hathras            | Mill Quality Loose  | NR              | 1880      | -      |
|           | Aligarh            | Mill Quality Loose  | Closed          | 1825      | -      |
| Punjab    | Khanna             | Mill Quality Loose  | 1875            | 1880      | -5     |
|           | Ludhiana (Jagraon) | Mill Delivery       | NA              | 2000      | -      |
| 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 | NA   | 1840 | -    |
| 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 | 1800 | Unch |
| FOR        | Kandla (Rajasthan-Rajkot)     | Mill Quality       | NA   | NA   | -    |
|            | Gandhidham (Rajasthan-Rajkot) | Mill Quality       | NA   | NA   | -    |

| Centre    | Market | Variety      | Prices (Rs/Qtl) |           | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
|           |        |              | 29-May-19       | 28-May-19 |        |
| Gujarat   | Rajkot | Lokwan       | 2050            | 2100      | -50    |
| M.P.      | Indore | Lokwan       | 2300            | 2300      | Unch   |
|           | Bhopal | Lokwan       | 1950            | 1950      | Unch   |
|           | Bina   | Sarbati 306  | Closed          | 2700      | -      |
| Rajasthan | Kota   | Lokwan Bilty | 2050            | 2050      | Unch   |
|           | Baran  | Lokwan       | 1950            | 1950      | Unch   |

### Wheat Arrivals in Key Centers:

| Centre    | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
|           |                   |                    | 29-May-19           | 28-May-19 |        |
| Delhi     | Lawrence Road     | Mill Delivery      | 7000                | 10000     | -3000  |
|           | Narella           | Mill Quality Loose | Closed              | 1500      | -      |
|           | Nazafgarh         | Mill Quality Loose | Closed              | 80        | -      |
| Gujarat   | Rajkot            | Mill Quality Loose | 1000                | 1200      | -200   |
|           | Dhrol             | Mill Quality Loose | 29                  | 24        | 5      |
| M.P.      | Indore            | Mill Quality Loose | 10000               | 12000     | -2000  |
| Rajasthan | Kota              | Mill Quality       | 20000               | 20000     | Unch   |
| U.P.      | Kanpur            | Mill Quality Loose | 4000                | 3000      | 1000   |
|           | Mathura           | Mill Quality Loose | 4500                | 4000      | 500    |
|           | Kosi              | Mill Quality Loose | 50                  | 50        | Unch   |
|           | Hathras           | Mill Quality Loose | NR                  | 1300      | -      |
|           | Aligarh           | Mill Quality Loose | Closed              | 2000      | -      |
| Punjab    | Khanna            | Mill Quality Loose | 3000                | 6000      | -3000  |
|           | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA        | -      |
| Haryana   | Sirsa             | Mill Quality Loose | 500                 | 600       | -100   |
|           | Hodal             | Mill Quality Loose | 1000                | 1000      | Unch   |
|           | Bhiwani           | Mill Quality Loose | 600                 | 800       | -200   |

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

| Wheat Products Delhi         | 29-May-19 | 28-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: 28.05.2019 |        |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                        | Open   | High   | Low    | Close  | Change |
| 19-Jul                                | 495.00 | 509.25 | 494.50 | 504.75 | 15.25  |
| 19-Sep                                | 502.00 | 515.75 | 501.75 | 512.00 | 15.25  |
| 19-Dec                                | 515.00 | 526.50 | 514.50 | 523.75 | 14.00  |
| 20-Mar                                | 527.50 | 537.00 | 527.00 | 535.25 | 13.00  |
| 20-May                                | 534.25 | 542.00 | 533.50 | 539.75 | 11.25  |
| 20-Jul                                | 531.00 | 538.75 | 531.00 | 537.75 | 10.50  |

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