

Wheat Domestic Fundamentals:

Wheat prices remained steady to weak in past days due to low demand in the domestic market. Most of the bulk buyers have already picked up stocks required for some time and reduced their purchase in the open market. As the stock purchased by bulk buyers decreases, the market is likely to witness good demand and prices will start moving up.

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:

As per latest update, hot and dry weather is likely to continue at Australia's east coast and there is only 30 percent chance of rainfall between June 01 and August 30. Furthermore, there is 70 percent probability that entire Australia will experience warmer than average temperatures. Private analyst are expecting wheat production to be around 18 MMT in 2019-20. Australia has already agreed to import 50000-60000 MT of wheat from Canada in upcoming weeks. In case of third consecutive lower production, Australia may be seen importing more wheat.

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.

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

Wheat Futures Contact: NCDEX Price							Date:31.05.2019 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	1971	1973	1962	1968	810	-780	9530	100
19-Jul	-2	2003	2005	1995	2002	440	-750	5580	+100
19-Aug	0	-	-	-	-	0	0	20	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	67		
19-Jul		32	
19-Aug			15

Stocks	Demat	In-Process	Total	EDD
	29.May.19	29.May.19	29.May.19	27.May.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	27362	1555	28917	26352
Baran	-	-	-	-

Wheat Daily Prices and Arrivals on 31.05.2019

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31-May-19	30-May-19	
Delhi	Lawrence Road	Mill Delivery	1975	1975	Unch
	Narella	Mill Quality Loose	1900	1900	Unch
	Nazafgarh	Mill Quality Loose	1850	1850	Unch
Gujarat	Rajkot	Mill Delivery	1930	1920	10
	Ahmedabad	Mill Delivery	1930	1910	20
	Surat	Mill Delivery	2010	1940	70
	Dhrol	Mill Quality Loose	2050	1965	85
M.P.	Indore	Mill Delivery	1975	1950	25
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	2000	2000	Unch
U.P.	Kanpur	Mill Delivery	1870	1850	20
	Mathura	Mill Quality Loose	1780	1780	Unch
	Kosi	Mill Quality Loose	1850	1850	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1825	1825	Unch
Punjab	Khanna	Mill Quality Loose	1880	1875	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1870	1870	Unch
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1870	1860	10
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
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
			31-May-19	30-May-19	
Gujarat	Rajkot	Lokwan	2100	2100	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2725	2700	25
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	2000	1950	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			31-May-19	30-May-19	
Delhi	Lawrence Road	Mill Delivery	7000	7500	-500
	Narella	Mill Quality Loose	1500	1500	Unch
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	1400	1000	400
	Dhrol	Mill Quality Loose	3	13	-10
M.P.	Indore	Mill Quality Loose	13000	8000	5000
Rajasthan	Kota	Mill Quality	15000	20000	-5000
U.P.	Kanpur	Mill Quality Loose	2500	3500	-1000
	Mathura	Mill Quality Loose	3000	3000	Unch
	Kosi	Mill Quality Loose	200	60	140
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	2000	1500	500
Punjab	Khanna	Mill Quality Loose	4000	6000	-2000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	700	500	200
	Hodal	Mill Quality Loose	1000	1200	-200
	Bhiwani	Mill Quality Loose	600	400	200

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

Wheat Products Delhi	31-May-19	30-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: 30.05.2019					
Contract Month	Open	High	Low	Close	Change
19-Jul	488.75	515.00	482.00	514.50	24.00
19-Sep	497.00	522.75	490.75	522.25	23.50
19-Dec	510.00	535.75	503.75	535.50	23.50
20-Mar	524.00	548.50	516.25	548.50	23.50
20-May	528.75	554.25	521.75	553.75	23.25
20-Jul	525.50	550.75	522.00	550.50	20.25

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