

**Wheat Domestic Fundamentals:**

**All India weekly average prices decreased by 2.48 percent to Rs. 2023.41 per quintal during the week ended 31st May 2019.** Wheat average price were ruling at Rs 2074.82 per quintal during 16-23 May 2019. As compared to prices in the week 24-31 May 2018, the prices are firm by 9.72 percent. Prices are expected to remain steady to slightly in coming days due to hike in import duty and normal demand.

**India mainly imports wheat from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality.** As of now, Australian standard wheat (ASW) and Australian premium wheat (APW) is being quoted at \$342.09 (Rs 23751.31) per tonne and \$346.92 (Rs 24086.66) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai and Coimbatore is ruling around Rs 23000 per tonne and Rs 23500 per tonne respectively.

**The government is set to provide additional food grains under NFSA to ease the stock position.** Under NFSA 5 kg of food grains are provided to people living below poverty line at a subsidized rate of Rs 1, Rs 2 and Rs 3 per kg for Coarse grains, rice and wheat respectively. The union cabinet may decide to provide an additional 2kg of food grains to every NFSA beneficiary. This move will result in reduction of carrying cost for various food grains with the government.

**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 Utrakhhand, 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.

**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 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.

**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:03.06.2019 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	1998	1998	1935	1955	590	-330	9140	-150
19-Jul	+1	2008	2008	1982	1999	580	+10	5760	+190
19-Aug	0	2031	2031	2031	2031	10	0	20	0

Spread	June-19	July-19	Aug-19
Spot Narella			
19-Jun	15		
19-Jul		44	
19-Aug			32

Stocks	Demat	In-Process	Total	EDD
	04.Jun.19	04.Jun.19	04.Jun.19	03.June.19
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	28668	976	29644	28669
Baran	-	-	-	-

**Wheat Daily Prices and Arrivals on 05.06.2019**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jun-19	4-Jun-19	
Delhi	Lawrence Road	Mill Delivery	1990	1990	Unch
	Narella	Mill Quality Loose	Closed	1940	-
	Nazafgarh	Mill Quality Loose	Closed	1850	-
Gujarat	Rajkot	Mill Delivery	1990	1980	10
	Ahmedabad	Mill Delivery	2050	2070	-20
	Surat	Mill Delivery	2110	2110	Unch
	Dhrol	Mill Quality Loose	NR	2170	-
M.P.	Indore	Mill Delivery	1985	1985	Unch
	Bhopal	Mill Quality Loose	Closed	1850	-
Rajasthan	Kota	Mill Quality Loose	1915	1915	Unch
		Mill Delivery	2075	2075	Unch
U.P.	Kanpur	Mill Delivery	1880	1880	Unch
	Mathura	Mill Quality Loose	Closed	1800	-
	Kosi	Mill Quality Loose	Closed	1890	-
	Hathras	Mill Quality Loose	1900	1880	20
	Aligarh	Mill Quality Loose	Closed	1820	-
Punjab	Khanna	Mill Quality Loose	1890	1900	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	Closed	1870	-
	Hodal	Mill Delivery	NA	NA	-

	Bhiwani	Mill Quality Loose	1850	1850	Unch
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
<b>Bihar</b>	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1825	-25
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jun-19	4-Jun-19	
<b>Gujarat</b>	Rajkot	Lokwan	2100	2100	Unch
<b>M.P.</b>	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	Closed	1950	-
	Bina	Sarbati 306	Closed	2700	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	2125	2125	Unch
	Baran	Lokwan	1900	NA	-

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Jun-19	4-Jun-19	
<b>Delhi</b>	Lawrence Road	Mill Delivery	7000	9000	-2000
	Narella	Mill Quality Loose	Closed	1000	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1200	1500	-300
	Dhrol	Mill Quality Loose	NR	27	-
<b>M.P.</b>	Indore	Mill Quality Loose	8000	14000	-6000
<b>Rajasthan</b>	Kota	Mill Quality	20000	25000	-5000
<b>U.P.</b>	Kanpur	Mill Quality Loose	3000	3000	Unch
	Mathura	Mill Quality Loose	Closed	2000	-
	Kosi	Mill Quality Loose	Closed	750	-
	Hathras	Mill Quality Loose	500	800	-300
	Aligarh	Mill Quality Loose	Closed	2500	-
<b>Punjab</b>	Khanna	Mill Quality Loose	3000	6000	-3000
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	Closed	400	-
	Hodal	Mill Quality Loose	200	200	Unch
	Bhiwani	Mill Quality Loose	400	400	Unch

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

Wheat Products Delhi	5-Jun-19	4-Jun-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: 04.05.2019					
Contract Month	Open	High	Low	Close	Change
<b>19-Jul</b>	526.00	529.00	501.25	507.25	<b>-12.50</b>
<b>19-Sep</b>	531.75	535.00	508.50	514.75	<b>-11.25</b>
<b>19-Dec</b>	544.50	547.00	522.00	528.50	<b>-10.25</b>
<b>20-Mar</b>	556.75	559.25	535.50	541.50	<b>-9.75</b>
<b>20-May</b>	561.25	563.25	542.75	548.25	<b>-8.00</b>
<b>20-Jul</b>	558.00	560.75	542.75	552.00	<b>-3.00</b>

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