

Wheat Domestic Fundamentals:

All India average monthly prices for wheat decreased by 4.13 percent from Rs 1874.71 (in March) to Rs 1816.5 per qtl in April-2017. Better crop prospects for have weakened inner tone in the market. Average price (April) is higher by 5.28 percent compared to price (Rs 1725.36 per qtl.) registered in April -2016. Higher import volume would restrict demand from south Indian millers. Government has imposed import duty of 10 percent to restrict flow of imports.

Government agencies have started procurement since 15th March'17. Until 03rd May'17 government has procured around 250 lakh tonnes of wheat. Of the total quantity procured, around 51.71 lakh tonnes has been procured from Madhya Pradesh, 71.16 lakh tonnes from Haryana, 110.43 lakh tonnes from Punjab and 9.78 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 75.7% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

As per latest update, until 01st May over 69 lakh tonnes of wheat have arrived in Haryana compared to 64.59 lakh tonnes for the same period last year. Traders and five government agencies have purchased 5874 tonnes and 69.27 lakh tonnes of wheat respectively. Of the total quantity procured by government agencies around 17.02 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 24.72 lakh tonnes by HAFED, 8.23 lakh tonnes by FCI, 6.36 lakh tonnes by Haryana Agro Industries corporation and 12.91 lakh tonnes by Haryana warehousing corporation. Sirsa is the leading district with 9.69 lakh metric tonnes of arrival.

Wheat WPI has decreased from 247.7 in February to 238.8 in March-2017. Monthly wheat inflation has decreased by 3.59 percent in March-17 compared to February-17. As compared to March-16, wheat WPI has increased by around 4.65% and by 10.81% compared to February -2015.

As per latest update, until 16th April around 37.15 lakh tonnes have arrived in Haryana. Traders and five government agencies have purchased 3000 tonnes and 37.12 lakh tonnes of wheat. Of the total quantity procured by government agencies around 9.36 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 12.54 lakh tonnes by HAFED, 4.25 lakh tonnes by FCI, 3.09 lakh tonnes by Haryana Agro Industries corporation and 7.58 lakh tonnes by Haryana warehousing corporation. Highest arrivals were recorded in Kaithal (4.71 lakh tonnes) and Karnal (4.61 lakh tonnes) districts.

According to latest update, area sown until 03 February'17 is 317.81 lakh hectares compared to 297.25 lakh hectares in the previous Rabi season. Among various states the area is down in Jammu & Kashmir and Karnataka, whereas Punjab, Haryana and Uttar Pradesh have seen an increase in area compared to last year for the same date. The normal area is 304.05 lakh hectares. Area is expected to be higher this year as government has increased MSP of wheat which has motivated farmers to sow more area.

International Market Update:

As per latest update, Egypt has procured around 3.59 lakh tonnes of wheat since the beginning of its harvesting season from mid-April. However this quantity is lower compared to last year's 3.95 lakh tonnes for the same period. Egypt's supply minister expects to procure around 3.8 million tonnes from local farmers until July.

The cost of shipping grains has fallen by around \$3 to \$5 per tonne to \$12 per tonne due to increased capacity. Ukraine harvested around 66 MMT of grains of which it was able to export around 42 MMT. The new export terminals launched in past years can handle more than 6 MMT and more terminals will be launched in coming years which will handle additional 15 MMT. The cost of shipping grains five years ago was around \$18-22 MMT.

Algeria's state grain agency OAIC has bought 250000 tonnes of durum wheat in a tender closed on Wednesday for shipment in June at around \$250 per tonne cost and freight. The purchase is likely to be done from Canada although the origin is optional.

IGC has increased its projection for wheat to 736 MMT as on 27th Apr-2017 for 2017-18. According to forecast by IGC for 2016-17 global wheat production was around 753 MMT against 736 MMT for 2015-16. The difference is around 17 MMT from previous estimate. Trade projection has been kept at 166 MMT. It is 5MMT lower compared to forecast for last year and same compared to 2015-16.

Outlook: Cash market is expected to trade steady to slightly weak in the near term.

Wheat Futures Contract: NCDEX Price								Date:04.05.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-May	+5	1576	1588	1576	1584	2180	-1,140	7880	-1,070
17-June	+8	1604	1612	1602	1612	2660	-2,100	16860	+750
17-July	+4	1631	1640	1635	1635	440	-430	1370	+330

Spread	May-17	Jun-17	Jul-17	
Spot Narela				
17-May	-81			
17-Jun		28		
17-Jul			23	

Stocks	Demat	In- Process	Total	FED
	03.May.17	03.May.17	03.May.17	01.May.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	11817	684	12501	10564
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 4.05.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-May-17	3-May-17	
Delhi	Lawrence Road	Mill Delivery	1715	1710	5
	Narella	Mill Quality Loose	1665	Closed	-
	Nazafgarh	Mill Quality Loose	1625	Closed	-
Gujarat	Rajkot	Mill Delivery	1475	1475	Unch
	Ahmedabad	Mill Delivery	1650	1670	-20
	Surat	Mill Delivery	1680	1700	-20
	Dhrol	Mill Quality Loose	1665	1665	Unch
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1625	1600	25
Rajasthan	Kota	Mill Quality Loose	1500	1500	Unch
		Mill Delivery	1600	1600	Unch
U.P.	Kanpur	Mill Delivery	1715	1710	5
	Mathura	Mill Quality Loose	1550	1550	Unch
	Kosi	Mill Quality Loose	1550	1565	-15
	Hathras	Mill Quality Loose	1635	1635	Unch
	Aligarh	Mill Quality Loose	1625	Closed	-
Punjab	Khanna	Mill Quality Loose	1630	1620	10
	Ludhiana (Jagraon)	Mill Delivery	1725	1725	Unch
Haryana	Sirsa	Mill Delivery loose	1625	1625	Unch
	Hodal	Mill Delivery	1690	1690	Unch

	Bhiwani	Mill Quality Loose	1660	1650	10
	Karnal	Mill Delivery	1675	1645	30
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch
	Madurai	Mill Quality	2007	2007	Unch
	Coimbatore	Mill Quality	2007	2007	Unch
Bihar	Khagariya	Mill Delivery	1650	1650	Unch
	Muzaffarpur	Mill Delivery	1575	1575	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1600	1600	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1600	1600	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-May-17	3-May-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1675	1650	25
	Bina	Sarbati 306	23500	Closed	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-May-17	3-May-17	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	1500	Closed	-
	Nazafgarh	Mill Quality Loose	500	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1700	2500	-800
	Dhrol	Mill Quality Loose	98	87	11
M.P.	Indore	Mill Quality Loose	3000	2000	1000
Rajasthan	Kota	Mill Quality	30000	30000	Unch
U.P.	Kanpur	Mill Quality Loose	8500	8000	500
	Mathura	Mill Quality Loose	3000	4000	-1000
	Kosi	Mill Quality Loose	3000	3500	-500
	Hathras	Mill Quality Loose	300	300	Unch
	Aligarh	Mill Quality Loose	1000	Closed	-
Punjab	Khanna	Mill Quality Loose	10000	6000	4000
	(Ludhiana)Jagraon	Mill Quality Loose	4000	4000	Unch
Haryana	Sirsa	Mill Quality Loose	2000	5000	-3000
	Hodal	Mill Quality Loose	1000	500	500
	Bhiwani	Mill Quality Loose	2000	3000	-1000

	Karnal	Mill Delivery	3000	10000	-7000
	Panipat	Mill Quality Loose	NA	810	-

Wheat Products Delhi	4-May-17	3-May-17	Change
Atta (50kg) Ordinary	960	960	Unch
Maida Grade 1 (50KG)	1340	1340	Unch
Suji (50kg)	1415	1415	Unch
Chokar (50 kg)	814	814	Unch
Chokar (34 kg)	519	519	Unch
Chakki Atta (50kg)	1160	1160	Unch
Chakki Atta (50kg) Special	1160	1160	Unch
Chakki Atta (90kg) Superfine	1918	1918	Unch
Chakki Atta (50kg) Superfine	1010	1010	Unch

Wheat (CBOT) Future Price:03.05.2017					
Contract Month	Open	High	Low	Close	Change
17-May	442.00	443.00	440.00	443.00	1.50
17-Jul	453.00	456.00	445.75	454.00	Unch
17-Sep	467.25	470.00	460.00	467.25	-0.75
17-Dec	488.50	491.00	481.25	488.00	-1.25
18-Mar	504.00	507.25	499.00	505.00	-1.00
18-May	512.50	516.00	509.50	516.00	0.75

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