

**Wheat Domestic Fundamentals:**

**Government agencies have started procurement since 15th March'17. Until 05th May'17 government has procured around 258 lakh tonnes of wheat.** Of the total quantity procured, around 54.08 lakh tonnes has been procured from Madhya Pradesh, 72.01 lakh tonnes from Haryana, 112.20 lakh tonnes from Punjab and 11.40 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 78.18% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

**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.

**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, turkey has removed tariff of 130 percent on Russian grain** following the meeting between Russian President Vladimir Putin and his Turkish counterpart Recep Tayyip Erdogan in Sochi. Turkey introduced tariff on Russian grains after Moscow banned Turkish tomatoes. Turkey is the second largest export destination for Russia after Egypt.

**As per latest update, Egypt has procured around 5.0 lakh tonnes of wheat** since the beginning of its harvesting season from mid-April. 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.

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

| Wheat Futures Contract: NCDEX Price |                       |      |      |      |       |        |                       | Date:05.05.2017 |                       |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month                      | Ch. from previous day | Open | High | Low  | Close | Volume | Ch. From previous day | OI              | Ch. From previous day |
| 17-May                              | -8                    | 1576 | 1588 | 1575 | 1577  | 550    | -1,630                | 7590            | -290                  |
| 17-June                             | -1                    | 1603 | 1613 | 1600 | 1609  | 1100   | -1,560                | 17150           | 290                   |
| 17-July                             | -1                    | 1627 | 1635 | 1627 | 1635  | 420    | -20                   | 1540            | 170                   |

| Spread      | May-17 | Jun-17 | Jul-17 |  |
|-------------|--------|--------|--------|--|
| Spot Narela |        |        |        |  |
| 17-May      | -83    |        |        |  |
| 17-Jun      |        | 32     |        |  |
| 17-Jul      |        |        | 26     |  |

| Stocks | Demat     | In- Process | Total     | FED       |
|--------|-----------|-------------|-----------|-----------|
|        | 04.May.17 | 04.May.17   | 04.May.17 | 01.May.17 |
| Delhi  | -         | -           | -         | -         |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | 11687     | 978         | 12665     | 10564     |
| Rajkot | -         | -           | -         | -         |

## Wheat Daily Prices and Arrivals on 5.05.2017

| Centre    | Market             | Variety            | Prices (Rs/Qtl) |          | Change |
|-----------|--------------------|--------------------|-----------------|----------|--------|
|           |                    |                    | 5-May-17        | 4-May-17 |        |
| Delhi     | Lawrence Road      | Mill Delivery      | 1725            | 1715     | 10     |
|           | Narella            | Mill Quality Loose | 1660            | 1665     | -5     |
|           | Nazafgarh          | Mill Quality Loose | 1625            | 1625     | Unch   |
| Gujarat   | Rajkot             | Mill Delivery      | 1460            | 1475     | -15    |
|           | Ahmedabad          | Mill Delivery      | 1650            | 1650     | Unch   |
|           | Surat              | Mill Delivery      | 1690            | 1680     | 10     |
|           | Dhrol              | Mill Quality Loose | 1645            | 1665     | -20    |
| M.P.      | Indore             | Mill Delivery      | 1600            | 1600     | Unch   |
|           | Bhopal             | Mill Quality Loose | 1625            | 1625     | Unch   |
| Rajasthan | Kota               | Mill Quality Loose | 1500            | 1500     | Unch   |
|           |                    | Mill Delivery      | 1600            | 1600     | Unch   |
| U.P.      | Kanpur             | Mill Delivery      | 1725            | 1715     | 10     |
|           | Mathura            | Mill Quality Loose | 1575            | 1550     | 25     |
|           | Kosi               | Mill Quality Loose | 1565            | 1550     | 15     |
|           | Hathras            | Mill Quality Loose | 1630            | 1635     | -5     |
|           | Aligarh            | Mill Quality Loose | 1625            | 1625     | Unch   |
| Punjab    | Khanna             | Mill Quality Loose | 1640            | 1630     | 10     |
|           | Ludhiana (Jagraon) | Mill Delivery      | 1725            | 1725     | Unch   |

|                   |                               |                     |      |      |      |
|-------------------|-------------------------------|---------------------|------|------|------|
| <b>Haryana</b>    | Sirsa                         | Mill Delivery loose | 1625 | 1625 | Unch |
|                   | Hodal                         | Mill Delivery       | 1690 | 1690 | Unch |
|                   | Bhiwani                       | Mill Quality Loose  | 1650 | 1660 | -10  |
|                   | Karnal                        | Mill Delivery       | 1650 | 1675 | -25  |
|                   | Panipat                       | Mill Quality Loose  | 1625 | 1625 | Unch |
| <b>Tamil Nadu</b> | Chennai                       | Mill Quality        | 1950 | 1950 | Unch |
|                   | Madurai                       | Mill Quality        | 2007 | 2007 | Unch |
|                   | Coimbatore                    | Mill Quality        | 2007 | 2007 | Unch |
| <b>Bihar</b>      | Khagariya                     | Mill Delivery       | 1650 | 1650 | Unch |
|                   | Muzaffarpur                   | Mill Delivery       | NR   | 1575 | -    |
| <b>FOR</b>        | Kandla (Rajasthan-Rajkot)     | Mill Quality        | 1600 | 1600 | Unch |
|                   | Gandhidham (Rajasthan-Rajkot) | Mill Quality        | 1600 | 1600 | Unch |

| Centre           | Market | Variety     | Prices (Rs/Qtl) |          | Change |
|------------------|--------|-------------|-----------------|----------|--------|
|                  |        |             | 5-May-17        | 4-May-17 |        |
| <b>Gujarat</b>   | Rajkot | Lokwan      | 1700            | 1700     | Unch   |
| <b>M.P.</b>      | Indore | Lokwan      | 1900            | 1900     | Unch   |
|                  | Bhopal | Lokwan      | 1675            | 1675     | Unch   |
|                  | Bina   | Sarbati 306 | 2350            | 23500    | -21150 |
| <b>Rajasthan</b> | Kota   | LokwanBilty | 1750            | 1750     | Unch   |
|                  | Baran  | Lokwan      | 1700            | 1700     | Unch   |

## Wheat Arrivals in Key Centers:

| Centre           | Market            | Variety            | Arrivals (Bags/Qtl) |          | Change |
|------------------|-------------------|--------------------|---------------------|----------|--------|
|                  |                   |                    | 5-May-17            | 4-May-17 |        |
| <b>Delhi</b>     | Lawrence Road     | Mill Delivery      | 8000                | 7000     | 1000   |
|                  | Narella           | Mill Quality Loose | 1000                | 1500     | -500   |
|                  | Nazafgarh         | Mill Quality Loose | 500                 | 500      | Unch   |
| <b>Gujarat</b>   | Rajkot            | Mill Quality Loose | 1600                | 1700     | -100   |
|                  | Dhrol             | Mill Quality Loose | 94                  | 98       | -4     |
| <b>M.P.</b>      | Indore            | Mill Quality Loose | 2500                | 3000     | -500   |
| <b>Rajasthan</b> | Kota              | Mill Quality       | 2500                | 30000    | -27500 |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 8200                | 8500     | -300   |
|                  | Mathura           | Mill Quality Loose | 2500                | 3000     | -500   |
|                  | Kosi              | Mill Quality Loose | 3500                | 3000     | 500    |
|                  | Hathras           | Mill Quality Loose | 350                 | 300      | 50     |
|                  | Aligarh           | Mill Quality Loose | 1000                | 1000     | Unch   |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | 7000                | 10000    | -3000  |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | 4000                | 4000     | Unch   |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | 2000                | 2000     | Unch   |

|  |         |                    |      |      |      |
|--|---------|--------------------|------|------|------|
|  | Hodal   | Mill Quality Loose | 1000 | 1000 | Unch |
|  | Bhiwani | Mill Quality Loose | 3000 | 2000 | 1000 |
|  | Karnal  | Mill Delivery      | 5000 | 3000 | 2000 |
|  | Panipat | Mill Quality Loose | 310  | NA   | -    |

| Wheat Products Delhi         | 5-May-17 | 4-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:04.05.2017 |        |        |        |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                       | Open   | High   | Low    | Close  | Change |
| 17-May                               | 442.00 | 442.00 | 425.75 | 426.00 | -17.00 |
| 17-Jul                               | 453.75 | 455.25 | 436.00 | 437.75 | -16.25 |
| 17-Sep                               | 467.00 | 468.00 | 450.00 | 452.25 | -15.00 |
| 17-Dec                               | 487.50 | 487.50 | 471.00 | 473.00 | -15.00 |
| 18-Mar                               | 502.25 | 502.25 | 488.25 | 490.25 | -14.75 |
| 18-May                               | 508.50 | 509.00 | 500.00 | 501.75 | -14.25 |

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