

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'17. Until 09th May'17 government has procured around 266.69 lakh tonnes of wheat. Of the total quantity procured, around 56.98 lakh tonnes has been procured from Madhya Pradesh, 72.97 lakh tonnes from Haryana, 114.20 lakh tonnes from Punjab and 13.76 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 80.8% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

As per latest update, until 09th May around 73.07 lakh tonnes of wheat have arrived in Haryana. Traders and five government agencies have purchased 6854 tonnes and 73 lakh tonnes of wheat respectively. Of the total quantity procured by government agencies around 18.03 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 26.37 lakh tonnes by HAFED, 8.55 lakh tonnes by FCI, 6.70 lakh tonnes by Haryana Agro Industries corporation and 13.33 lakh tonnes by Haryana warehousing corporation.

As per third advance estimate for 2016-17 wheat production is likely to be around 97.4 MMT which is higher compared to second advance estimate of 96.6 MMT issued in February 2017. Grain quality is better this year compared to last year and there are no issues relating to higher moisture and pest. This year overall acreage is higher by around 4.5% over normal acreage of 304.05 lakh hectares.

As per latest update by IMD, India is likely to receive normal monsoon with 100 percent rainfall of the long period average instead of 96 percent. Monsoon between 96-104 percent is considered normal. Monsoon under 96 percent is considered below normal and between 104-110 percent above normal. Furthermore the occurrence of El Nino has also been reduced which has increased the likelihood of good monsoon.

All India weekly average prices increased by 0.03 percent to Rs. 1829.75 per quintal during the week ended 08th May 2017. Wheat average price were ruling at Rs 1829.29 per quintal during 24-30 April 2017. As compared to prices in the week 01-08 May 2016, the prices are firm by 7.89 percent. Prices are expected to remain range bound to slightly weak in coming days.

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.

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, farmers in Ukraine have sown 1.68 lakh hectares of spring wheat compared to 1.55 lakh hectares last month. The area sown is 95% of the total planned area. Ukrainian farmers have sown 5.9 million hectares so far of spring grains for harvesting in 2017, which represents around 82% of the planned area of 7.2 million hectares.

As per latest update, Japan's ministry of agriculture bought 138188 MMT of food quality wheat from United States, Australia and Canada. Around 76357 MMT has been bought from United States with protein content of 14 percent to be loaded between June 21-July 20, 30271 MMT of western red spring wheat has been bought from Canada with minimum protein content of 13.5 percent to be loaded between July 21- Aug 20 and 31560 MMT has been bought from west Australia to be loaded between July 1-July 31.

As per latest update, Egypt has procured around 8.03 lakh tonnes of wheat since the beginning of its harvesting season from mid-April. This is down by around 0.7 lakh tonnes compared to previous year 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.

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

Wheat Futures Contract: NCDEX Price								Date: 11.05.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-May	+8	1578	1591	1577	1590	1810	-1,160	3170	-1,050
17-June	+1	1611	1611	1604	1608	1630	-1,860	20800	+260
17-July	+1	1632	1633	1628	1633	660	+10	2560	+550

Spread	May-17	Jun-17	Jul-17	
Spot Narela				
17-May	-75			
17-Jun		18		
17-Jul			25	

Stocks	Demat	In- Process	Total	FED
	10.May.17	10.May.17	10.May.17	08.May.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12664	270	12934	12665
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 11.05.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11-May-17	10-May-17	
Delhi	Lawrence Road	Mill Delivery	1740	1740	Unch
	Narella	Mill Quality Loose	NR	Closed	-
	Nazafgarh	Mill Quality Loose	1650	Closed	-
Gujarat	Rajkot	Mill Delivery	1465	1460	5
	Ahmedabad	Mill Delivery	1660	1660	Unch
	Surat	Mill Delivery	1700	1690	10
	Dhrol	Mill Quality Loose	1665	1755	-90
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1625	1600	25
Rajasthan	Kota	Mill Quality Loose	1500	1510	-10
		Mill Delivery	1600	1610	-10
U.P.	Kanpur	Mill Delivery	1710	1710	Unch
	Mathura	Mill Quality Loose	1585	1580	5
	Kosi	Mill Quality Loose	1570	1580	-10
	Hathras	Mill Quality Loose	1600	1600	Unch
	Aligarh	Mill Quality Loose	1635	Closed	-
Punjab	Khanna	Mill Quality Loose	1635	1630	5
	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	1670	1650	20
	Karnal	Mill Delivery	1645	1645	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2000	2150	-150
	Madurai	Mill Quality	2057	2207	-150
	Coimbatore	Mill Quality	2057	2207	-150
Bihar	Khagariya	Mill Delivery	NR	NR	-
	Muzaffarpur	Mill Delivery	1550	1550	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
			11-May-17	10-May-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2350	Closed	-
Rajasthan	Kota	LokwanBilty	1750	1700	50
	Baran	Lokwan	1725	1650	75

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			11-May-17	10-May-17	
Delhi	Lawrence Road	Mill Delivery	8000	13000	-5000
	Narella	Mill Quality Loose	NR	Closed	-
	Nazafgarh	Mill Quality Loose	400	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1200	1200	Unch
	Dhrol	Mill Quality Loose	106	66	40
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	8000	8000	Unch
U.P.	Kanpur	Mill Quality Loose	NA	1300	-
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	3000	3500	-500
	Hathras	Mill Quality Loose	450	450	Unch
	Aligarh	Mill Quality Loose	200	Closed	-
Punjab	Khanna	Mill Quality Loose	7000	4000	3000
	(Ludhiana)Jagraon	Mill Quality Loose	4000	4000	Unch
Haryana	Sirsa	Mill Quality Loose	1000	1500	-500
	Hodal	Mill Quality Loose	200	200	Unch
	Bhiwani	Mill Quality Loose	2000	2000	Unch

	Karnal	Mill Delivery	6000	6000	Unch
	Panipat	Mill Quality Loose	NA	400	-

Wheat Products Delhi	11-May-17	10-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:10.05.2017					
Contract Month	Open	High	Low	Close	Change
17-May	424.00	424.00	420.75	424.00	2.25
17-Jul	429.25	435.75	426.00	431.75	2.25
17-Sep	444.50	450.25	441.00	446.75	2.25
17-Dec	464.50	470.25	461.25	467.00	2.50
18-Mar	482.00	488.00	480.00	485.25	3.00
18-May	493.75	496.75	491.50	496.50	2.75

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