

Wheat Domestic Fundamentals:

As per IMD, southwest monsoon is likely to arrive early this year. As monsoon has advanced in Andaman region it will take around 10 more days to reach coast of Kerala under normal conditions. Monsoon rains are expected to be normal in 2017 at 100% of the long period average. IMD defines normal rainfall between 96% and 104%.

As per latest update, until 12th May around 73.62 lakh tonnes of wheat have arrived in Haryana. Traders and five government agencies have purchased 6854 tonnes and 73.55 lakh tonnes of wheat respectively. Of the total quantity procured by government agencies around 18.21 lakh tonnes has been procured by food, civil supplies and consumer affairs department, 26.59 lakh tonnes by HAFED, 8.59 lakh tonnes by FCI, 6.75 lakh tonnes by Haryana Agro Industries corporation and 13.40 lakh tonnes by Haryana warehousing corporation. Sirsa is the leading district with more than 10.72 lakh metric tonnes of arrival.

Government agencies have started procurement since 15th March'17. Until 12th May'17 government has procured around 273.24 lakh tonnes of wheat. Of the total quantity procured, around 59.29 lakh tonnes has been procured from Madhya Pradesh, 73.46 lakh tonnes from Haryana, 115.20 lakh tonnes from Punjab and 15.92 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 82.8% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

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:

Algeria state grains agency OAIC has bought around 470000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid were in the range of \$197.75 to \$199 per tonne (Cost and Freight). The quantity to be shipped is due in first and second half of July. The origin of wheat that is to be supplied is at seller's option

Recent rains slightly improved the crop condition last week. As on 08th May around 76 percent of soft wheat is in good or excellent condition compared to 75 percent last week. Furthermore around 64 percent of durum wheat is in good or excellent condition compared to 62 percent last week. Showers are expected in coming days that may be fruitful for the zones which have not received any rainfall yet.

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.

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

Wheat Futures Contract: NCDEX Price								Date: 15.05.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-May	1	1600	1600	1600	1600	40	-50	610	0
17-June	9	1620	1627	1618	1624	1160	220	20920	70
17-July	7	1658	1658	1645	1647	260	40	2830	220

Spread	May-17	Jun-17	Jul-17	
Spot Narela				
17-May	-70			
17-Jun		24		
17-Jul			23	

Stocks	Demat	In- Process	Total	FED
	13.May.17	13.May.17	13.May.17	08.May.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12934	149	13083	12665
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 15.05.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-May-17	13-May-17	
Delhi	Lawrence Road	Mill Delivery	1750	1745	5
	Narella	Mill Quality Loose	1670	1680	-10
	Nazafgarh	Mill Quality Loose	1665	1655	10
Gujarat	Rajkot	Mill Delivery	1480	1475	5
	Ahmedabad	Mill Delivery	1680	1675	5
	Surat	Mill Delivery	1710	1710	Unch
	Dhrol	Mill Quality Loose	1605	1685	-80
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	NR	1715	-
	Mathura	Mill Quality Loose	1575	1585	-10
	Kosi	Mill Quality Loose	1580	1580	Unch
	Hathras	Mill Quality Loose	1540	1560	-20
	Aligarh	Mill Quality Loose	1625	1625	Unch
Punjab	Khanna	Mill Quality Loose	1610	1630	-20
	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	1680	1670	10
	Karnal	Mill Delivery	1650	1650	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	1950	2000	-50
	Madurai	Mill Quality	2007	2057	-50
	Coimbatore	Mill Quality	2007	2057	-50
Bihar	Khagariya	Mill Delivery	1625	NR	-
	Muzaffarpur	Mill Delivery	1550	1550	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	1600	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	1600	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-May-17	13-May-17	
Gujarat	Rajkot	Lokwan	1750	1700	50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1750	1750	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-May-17	13-May-17	
Delhi	Lawrence Road	Mill Delivery	12000	7000	5000
	Narella	Mill Quality Loose	1500	1200	300
	Nazafgarh	Mill Quality Loose	300	500	-200
Gujarat	Rajkot	Mill Quality Loose	1500	1400	100
	Dhrol	Mill Quality Loose	264	92	172
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	20000	20000	Unch
U.P.	Kanpur	Mill Quality Loose	NR	1250	-
	Mathura	Mill Quality Loose	2000	1000	1000
	Kosi	Mill Quality Loose	5000	3500	1500
	Hathras	Mill Quality Loose	200	550	-350
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	1000	3000	-2000
	(Ludhiana)Jagraon	Mill Quality Loose	4000	4000	Unch
Haryana	Sirsa	Mill Quality Loose	500	1000	-500

	Hodal	Mill Quality Loose	250	NA	-
	Bhiwani	Mill Quality Loose	1200	1000	200
	Karnal	Mill Delivery	7500	7500	Unch
	Panipat	Mill Quality Loose	NA	20	-

Wheat Products Delhi	15-May-17	13-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:12 05.2017					
Contract Month	Open	High	Low	Close	Change
17-May	445.25	445.25	416.25	425.00	-1.00
17-Jul	434.25	437.75	431.25	432.75	-1.00
17-Sep	448.50	451.50	445.75	446.75	-1.25
17-Dec	467.75	470.00	465.25	466.25	-1.00
18-Mar	485.75	487.25	482.75	483.75	-1.25
18-May	495.50	497.50	493.50	494.75	-1.25

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