

### **Wheat Domestic Fundamentals:**

**Monsoon is likely to arrive early this year and is expected to hit south Kerala coast on 30th May'17**, early by around two days. Furthermore India may receive higher monsoon rainfall this year compared to previous forecast as probability of El Nino has been reduced. Monsoon rains which arrive in Andaman & Nicobar around May 20th have already reached on 14th May, around six days ahead of schedule.

**Government agencies have started procurement since 15th March'17. Until 15th May'17 government has procured around 278.01 lakh tonnes of wheat.** Of the total quantity procured, around 61.40 lakh tonnes has been procured from Madhya Pradesh, 73.73 lakh tonnes from Haryana, 115.65 lakh tonnes from Punjab and 17.50 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 84.24% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

**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.

**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:**

**Russian wheat prices remained stable as rouble became strong against dollar and Turkey restored purchases of upcoming crop in Russia.** Russian wheat with protein content of 12.5% was traded at \$182.50 per tonne this week, unchanged from a week earlier. Russia exported 24.4 MMT of wheat from 01st July'16 to 10th May'17 up by around 1% compared to year before during the same time period.

**As per latest update around 53% of winter wheat is in good or excellent condition** compared to 62% last year for the same period. Around 78% spring wheat has been planted as on 14th May'17 compared to 87% last year for the same period. Of the total spring wheat planted around 40% has emerged.

**As per latest update, Egypt has procured around 1.70 million 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.

**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

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

Wheat Futures Contract: NCDEX Price								Date:16.05.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-May	0	1600	1600	1600	1600	40	0	490	-120
17-June	+2	1625	1629	1623	1625	1300	+140	20860	-60
17-July	+7	1647	1656	1648	1654	1210	+950	3020	+190

Spread	May-17	Jun-17	Jul-17	
Spot Narela				
17-May	-80			
17-Jun		25		
17-Jul			29	

Stocks	Demat	In- Process	Total	FED
	15.May.17	15.May.17	15.May.17	15.May.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	12984	50	13034	12984
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 16.05.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-May-17	15-May-17	
Delhi	Lawrence Road	Mill Delivery	1755	1750	5
	Narela	Mill Quality Loose	1680	1670	10
	Nazafgarh	Mill Quality Loose	1660	1665	-5
Gujarat	Rajkot	Mill Delivery	1480	1480	Unch
	Ahmedabad	Mill Delivery	1680	1680	Unch
	Surat	Mill Delivery	1715	1710	5
	Dhrol	Mill Quality Loose	1580	1605	-25
M.P.	Indore	Mill Delivery	1625	1600	25
	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	1715	NR	-
	Mathura	Mill Quality Loose	1565	1575	-10
	Kosi	Mill Quality Loose	1560	1580	-20
	Hathras	Mill Quality Loose	1540	1540	Unch
	Aligarh	Mill Quality Loose	1625	1625	Unch
Punjab	Khanna	Mill Quality Loose	1600	1610	-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	1680	1680	Unch
	Karnal	Mill Delivery	1645	1650	-5
	Panipat	Mill Quality Loose	NR	1625	-
Tamil Nadu	Chennai	Mill Quality	2000	1950	50
	Madurai	Mill Quality	2057	2007	50
	Coimbatore	Mill Quality	2057	2007	50
Bihar	Khagariya	Mill Delivery	1625	1625	Unch
	Muzaffarpur	Mill Delivery	1550	1550	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-May-17	15-May-17	
Gujarat	Rajkot	Lokwan	1700	1750	-50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1700	-50
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	1750	1750	Unch

## Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-May-17	15-May-17	
Delhi	Lawrence Road	Mill Delivery	9000	12000	-3000
	Narella	Mill Quality Loose	800	1500	-700
	Nazafgarh	Mill Quality Loose	400	300	100
Gujarat	Rajkot	Mill Quality Loose	1300	1500	-200
	Dhrol	Mill Quality Loose	675	264	411
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	15000	20000	-5000
U.P.	Kanpur	Mill Quality Loose	1350	NR	-
	Mathura	Mill Quality Loose	1500	2000	-500
	Kosi	Mill Quality Loose	5000	5000	Unch
	Hathras	Mill Quality Loose	200	200	Unch
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	2000	1000	1000
	(Ludhiana)Jagraon	Mill Quality Loose	4000	4000	Unch
Haryana	Sirsa	Mill Quality Loose	500	500	Unch
	Hodal	Mill Quality Loose	300	250	50
	Bhiwani	Mill Quality Loose	1000	1200	-200

	Karnal	Mill Delivery	10000	7500	2500
	Panipat	Mill Quality Loose	NR	NA	-

Wheat Products Delhi	16-May-17	15-May-17	Change
Atta (50kg) Ordinary	970	960	10
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 :15 05.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	430.25	431.00	421.50	423.25	-9.50
17-Sep	444.50	445.00	436.25	438.00	-8.75
17-Dec	464.00	464.25	457.00	458.75	-7.50
18-Mar	482.50	482.50	475.25	477.50	-6.25
18-May	493.75	493.75	487.25	489.00	-5.75
18-Jul	497.75	498.25	495.00	495.50	-6.25

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