

Wheat Domestic Fundamentals:

As per market sources, India's wheat imports have slowed down due to good domestic crop. Furthermore around 1.8 million tonnes of imported wheat from Australia and Black sea region is lying unsold in port silos. For marketing year 2017-18 demand for imported wheat is likely to be low and India may import around 2-3 million tonnes.

Government is likely to sell around 40 lakh tonnes of wheat in MY 2017-18 compared to 46 lakh tonnes in MY 2016-17. Due to low production in last two years, wheat stock in central pool dwindled to five year lows. As of now government is procuring intensively to replenish its stocks. Furthermore millers and traders are also not having any trouble in procuring this year due to ample availability.

Government agencies have started procurement since 15th March'17. Until 16th May'17 government has procured around 280.47 lakh tonnes of wheat. Of the total quantity procured, around 62.14 lakh tonnes has been procured from Madhya Pradesh, 74.11 lakh tonnes from Haryana, 115.82 lakh tonnes from Punjab and 18.50 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 84.99% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

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.

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.

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: 17.05.2017 | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|------------------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 17-May | -15 | 1585 | 1585 | 1585 | 1585 | 140 | 100 | 140 | -350 |
| 17-June | +13 | 1627 | 1643 | 1624 | 1639 | 3700 | 2,400 | 20740 | -120 |
| 17-July | +10 | 1654 | 1670 | 1650 | 1664 | 2090 | 880 | 4050 | 1,030 |

| Spread | May-17 | Jun-17 | Jul-17 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 17-May | -95 | | | |
| 17-Jun | | 54 | | |
| 17-Jul | | | 25 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 16.May.17 | 16.May.17 | 16.May.17 | 15.May.17 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 12984 | 200 | 13184 | 12984 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 17.05.2017

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 17-May-17 | 16-May-17 | |
| Delhi | Lawrence Road | Mill Delivery | 1750 | 1755 | -5 |
| | Narela | Mill Quality Loose | Closed | 1680 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 1660 | - |
| Gujarat | Rajkot | Mill Delivery | 1485 | 1480 | 5 |
| | Ahmedabad | Mill Delivery | 1680 | 1680 | Unch |
| | Surat | Mill Delivery | 1715 | 1715 | Unch |
| | Dhrol | Mill Quality Loose | 1705 | 1580 | 125 |
| M.P. | Indore | Mill Delivery | 1625 | 1625 | 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 | 1560 | 1565 | -5 |
| | Kosi | Mill Quality Loose | 1565 | 1560 | 5 |
| | Hathras | Mill Quality Loose | 1560 | 1540 | 20 |
| | Aligarh | Mill Quality Loose | Closed | 1625 | - |
| Punjab | Khanna | Mill Quality Loose | 1600 | 1600 | Unch |
| | Ludhiana (Jagraon) | Mill Delivery | 1750 | 1725 | 25 |
| Haryana | Sirsa | Mill Delivery loose | 1625 | 1625 | Unch |
| | Hodal | Mill Delivery | 1690 | 1690 | Unch |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 1660 | 1680 | -20 |
| | Karnal | Mill Delivery | 1645 | 1645 | Unch |
| | Panipat | Mill Quality Loose | NR | NR | - |
| Tamil Nadu | Chennai | Mill Quality | 2000 | 2000 | Unch |
| | Madurai | Mill Quality | 2057 | 2057 | Unch |
| | Coimbatore | Mill Quality | 2057 | 2057 | Unch |
| 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 |
|-----------|--------|-------------|-----------------|-----------|--------|
| | | | 17-May-17 | 16-May-17 | |
| Gujarat | Rajkot | Lokwan | 1750 | 1700 | 50 |
| M.P. | Indore | Lokwan | 1900 | 1900 | Unch |
| | Bhopal | Lokwan | 1650 | 1650 | Unch |
| | Bina | Sarbati 306 | Closed | 2300 | - |
| Rajasthan | Kota | LokwanBilty | 1750 | 1750 | Unch |
| | Baran | Lokwan | 1750 | 1750 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 17-May-17 | 16-May-17 | |
| Delhi | Lawrence Road | Mill Delivery | 8000 | 9000 | -1000 |
| | Narella | Mill Quality Loose | Closed | 800 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 400 | - |
| Gujarat | Rajkot | Mill Quality Loose | 1400 | 1300 | 100 |
| | Dhrol | Mill Quality Loose | 875 | 675 | 200 |
| M.P. | Indore | Mill Quality Loose | 2000 | 2000 | Unch |
| Rajasthan | Kota | Mill Quality | 15000 | 15000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 1500 | 1350 | 150 |
| | Mathura | Mill Quality Loose | 2500 | 1500 | 1000 |
| | Kosi | Mill Quality Loose | 3000 | 5000 | -2000 |
| | Hathras | Mill Quality Loose | 125 | 200 | -75 |
| | Aligarh | Mill Quality Loose | Closed | 200 | - |
| Punjab | Khanna | Mill Quality Loose | 5000 | 2000 | 3000 |
| | (Ludhiana)Jagraon | Mill Quality Loose | 1000 | 4000 | -3000 |
| Haryana | Sirsa | Mill Quality Loose | 500 | 500 | Unch |
| | Hodal | Mill Quality Loose | 500 | 300 | 200 |
| | Bhiwani | Mill Quality Loose | 1500 | 1000 | 500 |

| | | | | | |
|--|---------|--------------------|-------|-------|------|
| | Karnal | Mill Delivery | 10000 | 10000 | Unch |
| | Panipat | Mill Quality Loose | NR | NR | - |

| Wheat Products Delhi | 17-May-17 | 16-May-17 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 970 | 970 | 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:1605.2017 | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 17-Jul | 423.25 | 426.00 | 420.25 | 424.25 | 1.00 |
| 17-Sep | 438.00 | 440.25 | 435.00 | 438.25 | 0.25 |
| 17-Dec | 459.00 | 461.00 | 456.50 | 459.50 | 0.75 |
| 18-Mar | 477.75 | 479.50 | 475.25 | 477.50 | Unch |
| 18-May | 488.75 | 489.00 | 486.75 | 488.75 | -0.25 |
| 18-Jul | 495.00 | 498.00 | 493.00 | 496.50 | 1.00 |

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