

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'17 and as per update on 27th May'17 government has procured around 29.26 million tonnes of wheat. Government will continue its procurement in Madhya Pradesh until May 31, whereas procurement in Uttar Pradesh and Rajasthan is likely to continue until 15th June. In Rabi marketing season 2017-18 government has set procurement target of 33 MT. Government has achieved 88.66% of its procurement target. Last year government was able to procure only 229 million tonnes due to lower production.

Normal monsoon rains are expected now as adverse El Niño weather condition has weakened. After its likely onset on May 29-30, the southwest monsoon June may receive 164 mm, July-289 mm and Aug-269 mm rains. Chhattisgarh and Vidarbha were expected to get a good amount of pre-monsoon showers during June, where the usual onset date is late June or early July.

All India weekly average prices decreased by 5.49 percent to Rs. 1783.96 per quintal during the week ended 23rd May 2017. Wheat average price were ruling at Rs 1887.57 per quintal during 09-15 May 2017. As compared to prices in the week 16-23 May 2016, the prices are firm by 2.97 percent. Prices are expected to remain range bound to slightly weak in coming days.

Government stock as on 01st May'17 stood at 277.05 lakh tonnes compared to 314.45 lakh tonnes at the same date last year. Due to two consecutive bad crops government was not able to procure as per their target and had to sell more in OMSS to keep the prices under control which led to fall in stocks. However this year production is better and procurement has crossed 283 lakh tonnes as on 18th May and government will sell less through OMSS which may lead to some recovery in central pool stock.

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.

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.

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, Japan's ministry of agriculture bought 117800 MMT of food quality wheat from United States and Australia. Around 79930 MMT has been bought from United States to be loaded between June 21-July 20 and 37870 MMT of standard white has been bought from west Australia to be loaded between July 1-July 31.

Wheat yield in Ukraine is likely to fall to 3.72 tonnes per hectare from record level of 4.21 tonnes per hectare last year. If weather gets favorable in the upcoming days it can push yield up to last year's level however unfavorable weather conditions can reduce it to 3.4 tonnes per hectare. The ministry of Ukraine is likely to harvest around 6 million hectares. In 2016 Ukraine produced 26 million tonnes of wheat.

As per latest update around 52% of winter wheat is in good or excellent condition compared to 62% last year for the same period. Around 90% spring wheat has been planted as on 21st May'17 compared to 94% last year for the same period. Of the total spring wheat planted around 62% has emerged.

European Union has reduced its yield forecast for 2017 due to dry weather conditions in Spain and France. Furthermore cold weather in countries such as Germany and Poland is also posing threat to wheat crop. The yield for soft wheat has been revised down to 5.91 tonnes per hectare compared to 6.05 tonnes per hectare a month ago. However the current yield forecast is still higher by around 6.2 percent compared to last year and by 1.2 percent compared to mean yield of past five years.

Russian export prices moved up on purchase by Egypt and expectation that rouble will rise against dollar. Russian wheat with 12.5 percent protein was quoted at FoB \$185.5 per tonne, up by around \$1 per tonne compared to last week. Russia exported 24.9 million tonnes of wheat between July 1 and May 17 higher by 1.2 percent compared to last year.

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

Wheat Futures Contract: NCDEX Price								Date:26.05.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-June	+9	1601	1614	1597	1610	1570	+570	19340	-80
17-July	+7	1621	1633	1620	1631	1660	+1,170	9440	+620
17-Aug	+5	1647	1647	1647	1652	0	0	0	0

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-50			
17-Jul		21		
17-Aug			21	

Stocks	Demat	In- Process	Total	FED
	26.May.17	26.May.17	26.May.17	22.May.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13723	70	13793	13214
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 27.05.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-May-17	26-May-17	
Delhi	Lawrence Road	Mill Delivery	1740	1745	-5
	Narela	Mill Quality Loose	1660	1660	Unch
	Nazafgarh	Mill Quality Loose	1640	1640	Unch
Gujarat	Rajkot	Mill Delivery	NR	NR	-
	Ahmedabad	Mill Delivery	NR	NR	-
	Surat	Mill Delivery	NR	NR	-
	Dhrol	Mill Quality Loose	1720	1665	55
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1600	1600	Unch
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1600	1600	Unch
U.P.	Kanpur	Mill Delivery	1730	1735	-5
	Mathura	Mill Quality Loose	1570	1565	5
	Kosi	Mill Quality Loose	1575	1575	Unch
	Hathras	Mill Quality Loose	1540	1540	Unch
	Aligarh	Mill Quality Loose	1550	1550	Unch
Punjab	Khanna	Mill Quality Loose	1610	1610	Unch
	Ludhiana (Jagraon)	Mill Delivery	1750	1750	Unch
Haryana	Sirsa	Mill Delivery loose	1625	1615	10
	Hodal	Mill Delivery	1700	1680	20

	Bhiwani	Mill Quality Loose	1625	1625	Unch
	Karnal	Mill Delivery	1640	1640	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch
	Madurai	Mill Quality	2007	2007	Unch
	Coimbatore	Mill Quality	2007	2007	Unch
Bihar	Khagariya	Mill Delivery	1600	1600	Unch
	Muzaffarpur	Mill Delivery	1570	1570	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-May-17	26-May-17	
Gujarat	Rajkot	Lokwan	NR	NR	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbat 306	2250	2250	Unch
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1650	1650	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-May-17	26-May-17	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	1000	900	100
	Nazafgarh	Mill Quality Loose	400	250	150
Gujarat	Rajkot	Mill Quality Loose	NR	NR	-
	Dhrol	Mill Quality Loose	86	100	-14
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	15000	15000	Unch
U.P.	Kanpur	Mill Quality Loose	12500	11500	1000
	Mathura	Mill Quality Loose	2000	1500	500
	Kosi	Mill Quality Loose	3000	3000	Unch
	Hathras	Mill Quality Loose	400	450	-50
	Aligarh	Mill Quality Loose	600	600	Unch
Punjab	Khanna	Mill Quality Loose	1000	1550	-550
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	1000	1000	Unch

	Karnal	Mill Delivery	1000	1000	Unch
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	27-May-17	26-May-17	Change
Atta (50kg) Ordinary	985	985	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:2505.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	431.50	436.00	430.25	430.75	-1.75
17-Sep	445.50	448.75	443.25	444.25	-1.75
17-Dec	467.00	470.50	465.25	466.50	-1.25
18-Mar	485.75	488.50	483.75	485.00	-1.00
18-May	499.00	500.50	496.75	497.50	-1.00
18-Jul	508.00	510.25	505.50	506.00	-2.00

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