

### 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:

**Russian export prices moved up due to strong rouble against dollar and concerns over cold and rainy weather in May which may lead to lower yields.** Russian wheat with 12.5 percent protein was quoted at FoB \$186.5 per tonne, up by around \$1 per tonne compared to last week. Russia exported 25.2 million tonnes of wheat between July 1 and May 24 higher by 1.3 percent compared to last year.

**As per latest update, Egypt has procured around 3.0 million tonnes of wheat since the beginning of its harvesting season from mid-April.** Egypt's supply minister expects to procure between 3.5 to 4.0 million tonnes from local farmers until July. The ministry has decided to provide a premium of 15 Egyptian pounds per tonne for wheat stored and transported in jute bags and 10 Egyptian pounds per tonne for wheat stored in silos located far from production areas with over 50 percent empty storage capacity.

**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.

**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.

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

Wheat Futures Contact: NCDEX Price							Date:29.05.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	-6	1610	1614	1601	1604	1840	270	19190	-150
17-July	-7	1635	1637	1621	1624	1750	90	10510	1,070
17-Aug	0	1652	1652	1647	1652	0	0	0	0

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-61			
17-Jul		20		
17-Aug			28	

Stocks	Demat	In- Process	Total	FED
	27.May.17	27.May.17	27.May.17	22.May.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13723	70	13793	13214
Rajkot	-	-	-	-

### Wheat Daily Prices and Arrivals on 29.05.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-May-17	27-May-17	
Delhi	Lawrence Road	Mill Delivery	1740	1740	Unch
	Narela	Mill Quality Loose	1665	1660	5
	Nazafgarh	Mill Quality Loose	1635	1640	-5
Gujarat	Rajkot	Mill Delivery	1525	NR	-
	Ahmedabad	Mill Delivery	1675	NR	-
	Surat	Mill Delivery	1700	NR	-
	Dhrol	Mill Quality Loose	1660	1720	-60
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1600	1600	Unch
Rajasthan	Kota	Mill Quality Loose	1520	1550	-30
		Mill Delivery	1610	1600	10
U.P.	Kanpur	Mill Delivery	1740	1730	10
	Mathura	Mill Quality Loose	1565	1570	-5
	Kosi	Mill Quality Loose	1580	1575	5
	Hathras	Mill Quality Loose	1560	1540	20
	Aligarh	Mill Quality Loose	1550	1550	Unch
Punjab	Khanna	Mill Quality Loose	1600	1610	-10
	Ludhiana (Jagraon)	Mill Delivery	1750	1750	Unch
Haryana	Sirsa	Mill Delivery loose	1625	1625	Unch
	Hodal	Mill Delivery	1700	1700	Unch

	Bhiwani	Mill Quality Loose	1610	1625	-15
	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	1550	1570	-20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-May-17	27-May-17	
Gujarat	Rajkot	Lokwan	1700	NR	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	NR	2250	-
Rajasthan	Kota	Lokwan Bilty	1700	1700	Unch
	Baran	Lokwan	1600	1600	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-May-17	27-May-17	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	700	1000	-300
	Nazafgarh	Mill Quality Loose	100	400	-300
Gujarat	Rajkot	Mill Quality Loose	1400	NR	-
	Dhrol	Mill Quality Loose	89	86	3
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	10000	15000	-5000
U.P.	Kanpur	Mill Quality Loose	12000	12500	-500
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	1500	3000	-1500
	Hathras	Mill Quality Loose	200	400	-200
	Aligarh	Mill Quality Loose	500	600	-100
Punjab	Khanna	Mill Quality Loose	700	1000	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	1000	1000	Unch

	Karnal	Mill Delivery	100	500	-400
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	29-May-17	27-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 :25 05.2017					
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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