

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'17. Until 29th May'17 government has procured around 296.15 lakh tonnes of wheat. Of the total quantity procured, around 67.24 lakh tonnes has been procured from Madhya Pradesh, 74.11 lakh tonnes from Haryana, 116.82 lakh tonnes from Punjab and 26.70 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 89.74% of its procurement target. Last year government was able to procure only 229 lakh 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 Buenos Aires grains exchange wheat crop is likely to hit a new record of 17.5 million tonnes in 2017-18 compared to 16.3 million tonnes in 2016-17. The increase in production of upcoming crop is mainly attributed to better crop technology. The only concern is regarding excessive moisture levels which are making it hard to prepare the land for planting.

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 from 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.

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.

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

Wheat Futures Contract: NCDEX Price								Date:30.05.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	-4	1600	1600	1597	1599	1670	-170	18810	-380
17-July	-2	1623	1623	1620	1621	1540	-210	11340	830
17-Aug	-9	1643	1643	1643	1643	0	0	0	0

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-66			
17-Jul		22		
17-Aug			22	

Stocks	Demat	In- Process	Total	FED
	29.May.17	29.May.17	29.May.17	29.May.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13743	50	13793	13742
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 30.05.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-May-17	29-May-17	
Delhi	Lawrence Road	Mill Delivery	1745	1740	5
	Narella	Mill Quality Loose	1665	1665	Unch
	Nazafgarh	Mill Quality Loose	1630	1635	-5
Gujarat	Rajkot	Mill Delivery	1515	1525	-10
	Ahmedabad	Mill Delivery	1660	1675	-15
	Surat	Mill Delivery	1700	1700	Unch
	Dhrol	Mill Quality Loose	1655	1660	-5
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1650	1600	50
Rajasthan	Kota	Mill Quality Loose	1520	1520	Unch
		Mill Delivery	1600	1610	-10
U.P.	Kanpur	Mill Delivery	1740	1740	Unch
	Mathura	Mill Quality Loose	1565	1565	Unch
	Kosi	Mill Quality Loose	1575	1580	-5
	Hathras	Mill Quality Loose	1560	1560	Unch
	Aligarh	Mill Quality Loose	1570	1550	20
Punjab	Khanna	Mill Quality Loose	1600	1600	Unch
	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	1600	1610	-10
	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	1550	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-May-17	29-May-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1650	1600	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-May-17	29-May-17	
Delhi	Lawrence Road	Mill Delivery	6000	8000	-2000
	Narella	Mill Quality Loose	1000	700	300
	Nazafgarh	Mill Quality Loose	300	100	200
Gujarat	Rajkot	Mill Quality Loose	1200	1400	-200
	Dhrol	Mill Quality Loose	111	89	22
M.P.	Indore	Mill Quality Loose	2000	1000	1000
Rajasthan	Kota	Mill Quality	12000	10000	2000
U.P.	Kanpur	Mill Quality Loose	NA	12000	-
	Mathura	Mill Quality Loose	2000	2000	Unch
	Kosi	Mill Quality Loose	4000	1500	2500
	Hathras	Mill Quality Loose	200	200	Unch
	Aligarh	Mill Quality Loose	600	500	100
Punjab	Khanna	Mill Quality Loose	1500	700	800
	(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	NA	100	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	30-May-17	29-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:2905.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	430.25	439.00	429.25	438.25	7.50
17-Sep	443.75	452.25	442.50	451.25	7.00
17-Dec	465.50	474.00	464.50	473.50	7.00
18-Mar	485.50	491.75	483.00	491.25	6.25
18-May	496.75	503.00	495.50	502.75	5.25
18-Jul	504.25	511.00	504.25	510.75	4.75

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