

Wheat Domestic Fundamentals:

All India weekly average prices decreased by 1.55 percent to Rs. 1756.25 per quintal during the week ended 31st May 2017. Wheat average price were ruling at Rs 1783.96 per quintal during 16-23 May 2017. As compared to prices in the week 24-31 May 2016, the prices are firm by 1.25 percent. Prices are expected to remain range bound to slightly weak in coming days.

Government agencies have started procurement since 15th March'17. Until 02nd June'17 government has procured around 299.12 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, 117.05 lakh tonnes from Punjab and 29.08 lakh tonnes from Uttar Pradesh. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 90.6% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

After arriving at the coast of kerala, Monsoon is likely to reach Mumbai between 7th to 10th June, Patna between 12th to 14th June and Delhi between 20th to 27th June. Punjab and Haryana will witness monsoon during first week of July. IMD has predicted for a normal monsoon this year but farmers should be ready if monsoon weakens after its arrival.

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:

Wheat prices have moved up due to concerns regarding weather in United States, Canada and Black sea. Prolonged dry conditions in United States and Canada may damage spring wheat crop. US have rated 55 percent of its crop in good to excellent condition compared to 62 percent a week ago. Prices in black sea region have also increased for third consecutive week. Wheat with 12.5% protein increased by \$1 per tonne to FoB \$187.50 per tonne.

As per latest update, china has sold 3065 tonnes of imported wheat for average price of 2550 yuan (\$375.19) per tonne at an auction of state reserves on Tuesday. The quantity sold represents around 2.03 percent of 150,867 tonnes of wheat available at auction.

GASC has purchased 180000 tonnes of wheat through tender after abolishing its zero-tolerance policy towards ergot. Of the total quantity 120000 tonnes is of Russian origin and 60000 tonnes is of Romanian origin. ADM bought 60000 tonnes of Romanian wheat at FoB \$201.56 per tonne and MidGulf bought 120000 tonnes of Russian wheat at FoB \$203.14 per tonne.

As per latest update, Egypt has procured around 3.6 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.

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.

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

Wheat Futures Contract: NCDEX Price								Date:06.06.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	-2	1592	1596	1590	1590	3770	2,650	14230	-2,280
17-July	+3	1611	1617	1611	1613	4680	3,600	16260	2,940
17-Aug	+8	1648	1648	1648	1648	200	200	20	20

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-85			
17-Jul		23		
17-Aug			35	

Stocks	Demat	In- Process	Total	FED
	5.Jun.17	5.Jun.17	5.Jun.17	5.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14272	200	14472	14272
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 06.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jun-17	5-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1765	1760	5
	Narela	Mill Quality Loose	1675	1680	-5
	Nazafgarh	Mill Quality Loose	1650	1635	15
Gujarat	Rajkot	Mill Delivery	1460	Closed	-
	Ahmedabad	Mill Delivery	1635	Closed	-
	Surat	Mill Delivery	1665	Closed	-
	Dhrol	Mill Quality Loose	1730	NR	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1480	1480	Unch
		Mill Delivery	1570	1570	Unch
U.P.	Kanpur	Mill Delivery	NR	1735	-
	Mathura	Mill Quality Loose	1585	1580	5
	Kosi	Mill Quality Loose	1585	1580	5
	Hathras	Mill Quality Loose	1600	NR	-
	Aligarh	Mill Quality Loose	1575	1570	5
Punjab	Khanna	Mill Quality Loose	1580	1600	-20
	Ludhiana (Jagraon)	Mill Delivery	1750	1750	Unch
Haryana	Sirsa	Mill Delivery loose	1625	1625	Unch
	Hodal	Mill Delivery	1690	1690	Unch

	Bhiwani	Mill Quality Loose	1625	1620	5
	Karnal	Mill Delivery	1650	1650	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	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jun-17	5-Jun-17	
Gujarat	Rajkot	Lokwan	1700	Closed	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1750	1700	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Jun-17	5-Jun-17	
Delhi	Lawrence Road	Mill Delivery	7000	9000	-2000
	Narella	Mill Quality Loose	1000	1000	Unch
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	600	Closed	-
	Dhrol	Mill Quality Loose	120	NR	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	7000	8000	-1000
U.P.	Kanpur	Mill Quality Loose	NR	NA	-
	Mathura	Mill Quality Loose	1000	1200	-200
	Kosi	Mill Quality Loose	2000	2200	-200
	Hathras	Mill Quality Loose	250	NR	-
	Aligarh	Mill Quality Loose	800	700	100
Punjab	Khanna	Mill Quality Loose	600	700	-100
	(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	600	700	-100

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

Wheat Products Delhi	6-Jun-17	5-Jun-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:506.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	428.75	433.25	425.50	429.50	Unch
17-Sep	443.25	447.25	440.25	443.75	Unch
17-Dec	464.25	468.00	461.75	463.75	-1.25
18-Mar	482.25	485.25	479.50	481.50	-1.25
18-May	493.50	496.25	491.25	493.25	-1.00
18-Jul	503.25	506.00	501.25	503.25	Unch

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