

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'17. Until 05th June'17 government has procured around 30 MMT of wheat. Of the total quantity procured, around 6.72 MMT has been procured from Madhya Pradesh, 7.41 MMT from Haryana, 11.7 MMT from Punjab, 3 MMT from Uttar Pradesh and 1.17 MMT from Rajasthan. 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.

As per IMD, India's monsoon rains are expected to reach 98 percent of the long term average higher by 2 percent points compared to its previous forecast. A weak El Nino is likely to develop during second half of the year. Monsoon is also likely to receive a boost from Indian Ocean dipole (IOD) as weak positive IOD conditions are likely to develop during monsoon season.

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 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 159610 MMT of food quality wheat from United States, Australia and Canada. Around 81115 MMT has been bought from United States to be loaded between July 21 - August 20, 55075 MMT has been bought from Canada to be loaded between August 21- September 20 and 23420 MMT of standard white has been bought from west Australia to be loaded between August 1-August 31.

Russian spring wheat planting has increased to 12.8 million hectares (94.6% of the planned area) although it is down by 4.66 percentage points year on year. Sowing progress has been slower compared to last year due to frost in April and constant rains in May. However traders are confident that delay in sowing will result in higher yields.

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.

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

Wheat Futures Contract: NCDEX Price								Date:07.06.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	0	1594	1602	1590	1591	1760	-2,010	12990	-1,240
17-July	-1	1614	1629	1612	1613	2010	-2,670	17510	1,250
17-Aug	0	1648	1648	1648	1648	-	-	-	-

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-84			
17-Jul		22		
17-Aug			35	

Stocks	Demat	In- Process	Total	FED
	6.Jun.17	6.Jun.17	6.Jun.17	5.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14133	251	14384	14272
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 07.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-JUN-17	6-JUN-17	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	Closed	1675	-
	Nazafgarh	Mill Quality Loose	Closed	1650	-
Gujarat	Rajkot	Mill Delivery	1475	1460	15
	Ahmedabad	Mill Delivery	1650	1635	15
	Surat	Mill Delivery	1670	1665	5
	Dhrol	Mill Quality Loose	1570	1730	-160
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	1740	NR	-
	Mathura	Mill Quality Loose	1590	1585	5
	Kosi	Mill Quality Loose	1580	1585	-5
	Hathras	Mill Quality Loose	1600	1600	Unch
	Aligarh	Mill Quality Loose	1580	1575	5
Punjab	Khanna	Mill Quality Loose	1600	1580	20
	Ludhiana (Jagraon)	Mill Delivery	NR	1750	-
Haryana	Sirsa	Mill Delivery loose	1625	1625	Unch
	Hodal	Mill Delivery	1690	1690	Unch

	Bhiwani	Mill Quality Loose	1620	1625	-5
	Karnal	Mill Delivery	1625	1650	-25
	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
			7-Jun-17	6-Jun-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	2200	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1750	1750	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Jun-17	6-Jun-17	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	Closed	1000	-
	Nazafgarh	Mill Quality Loose	Closed	200	-
Gujarat	Rajkot	Mill Quality Loose	500	600	-100
	Dhrol	Mill Quality Loose	45	120	-75
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	7000	7000	Unch
U.P.	Kanpur	Mill Quality Loose	11500	NR	-
	Mathura	Mill Quality Loose	1000	1000	Unch
	Kosi	Mill Quality Loose	2500	2000	500
	Hathras	Mill Quality Loose	250	250	Unch
	Aligarh	Mill Quality Loose	700	800	-100
Punjab	Khanna	Mill Quality Loose	700	600	100
	(Ludhiana)Jagraon	Mill Quality Loose	NR	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	600	-200

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

Wheat Products Delhi	7-Jun-17	6-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:606.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	429.25	440.75	429.25	435.75	6.25
17-Sep	444.00	455.00	443.75	450.25	6.50
17-Dec	463.75	474.75	463.75	471.00	7.25
18-Mar	482.00	491.75	482.00	488.50	7.00
18-May	494.00	502.75	494.00	500.00	6.75
18-Jul	506.75	512.25	506.75	508.75	5.50

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