

Wheat Domestic Fundamentals:

All India weekly average prices increased by 1.43 percent to Rs. 1781.34 per quintal during the week ended 08th April 2017. Wheat average price were ruling at Rs 1756.25 per quintal during 24-31 May 2017. As compared to prices in the week 01st – 08th April 2016, the prices are firm by 0.46 percent. Prices are expected to remain range bound to slightly weak in coming days.

As per IMD, India's monsoon rains are expected to reach 98 percent of the long term which will not only support soil moisture but also lead to increased yields. Due to bumper crop in 2016-17 and low demand from south India, farmers are struggling with low prices. Furthermore prices are getting no support from export front as India's export quote for wheat is higher compared to black sea and Australia. The prevailing conditions are conducive for the upcoming crop and another bumper harvest will keep wheat prices under pressure.

Government agencies have started procurement since 15th March'17. Until 06th June'17 government has procured around 301.01 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, 30.74 lakh tonnes from Uttar Pradesh and 11.71 lakh tonnes from Rajasthan. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 91.21% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

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:

Heavy rains in Argentina led to flooding and excessive humidity which could prevent Argentina farmers from planting 247105 acres of wheat in 2017-18. However the Buenos Aires grains exchange has maintained its forecast of 5.5 million hectares and 17.5 MMT for area and production respectively. Farmers have planted 21.4 percent of planned area which represent an increase of 10 percent points from last week.

Cold weather in Russia has increased concerns regarding wheat crop that has to be harvested in summer and as a result of this, the export prices for Russian wheat has been increasing for the last three weeks. Russian agricultural ministry has downgraded its grain forecast from 110 MMT to 105-110 MMT due to unfavorable weather conditions. The current season may not provide a good output but the carryover from last year's bumper crop will ensure good supply. Furthermore Russian wheat prices are also getting support from purchases made by Egypt.

Algeria state grains agency OAIC has bought around 450000 tonnes of milling wheat in a tender that closed on Wednesday. The prices paid were in the range of \$197.75 to \$199 per tonne (Cost and Freight). The quantity to be shipped is due in August. The origin of wheat that is optional but it is likely to be sourced from France.

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.

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

Wheat Futures Contract: NCDEX Price								Date:09.06.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	-4	1588	1592	1580	1586	9900	7,170	4510	-6,680
17-July	-5	1610	1614	1604	1607	9020	6,990	24140	5,140
17-Aug	-4	1634	1630	1628	1630	60	-140	60	40

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-84			
17-Jul		21		
17-Aug			23	

Stocks	Demat	In- Process	Total	FED
	9.Jun.17	9.Jun.17	9.Jun.17	5.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14686	51	14737	14272
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 10.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Jun-17	9-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1750	1755	-5
	Narela	Mill Quality Loose	1670	1670	Unch
	Nazafgarh	Mill Quality Loose	1650	1650	Unch
Gujarat	Rajkot	Mill Delivery	1470	1475	-5
	Ahmedabad	Mill Delivery	1640	1650	-10
	Surat	Mill Delivery	1675	1690	-15
	Dhrol	Mill Quality Loose	NR	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	1745	1725	20
	Mathura	Mill Quality Loose	1585	1600	-15
	Kosi	Mill Quality Loose	1585	1590	-5
	Hathras	Mill Quality Loose	1580	1590	-10
	Aligarh	Mill Quality Loose	1590	1600	-10
Punjab	Khanna	Mill Quality Loose	1600	1600	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1630	1630	Unch
	Hodal	Mill Delivery	1690	1690	Unch

	Bhiwani	Mill Quality Loose	1610	1620	-10
	Karnal	Mill Delivery	1625	1625	Unch
	Panipat	Mill Quality Loose	NR	1625	-
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch
	Madurai	Mill Quality	2007	2007	Unch
	Coimbatore	Mill Quality	2007	2007	Unch
Bihar	Khagariya	Mill Delivery	1625	1625	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
			10-Jun-17	9-Jun-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1680	1700	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Jun-17	9-Jun-17	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	1000	1000	Unch
	Nazafgarh	Mill Quality Loose	200	300	-100
Gujarat	Rajkot	Mill Quality Loose	1500	1000	500
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	3000	5000	-2000
U.P.	Kanpur	Mill Quality Loose	11200	11500	-300
	Mathura	Mill Quality Loose	1100	1500	-400
	Kosi	Mill Quality Loose	1800	2000	-200
	Hathras	Mill Quality Loose	100	250	-150
	Aligarh	Mill Quality Loose	100	600	-500
Punjab	Khanna	Mill Quality Loose	700	600	100
	(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	700	500	200



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

Wheat Products Delhi	10-Jun-17	9-Jun-17	Change
Atta (50kg) Ordinary	985	985	Unch
Maida Grade 1 (50KG)	1315	1315	Unch
Suji (50kg)	1390	1390	Unch
Chokar (50 kg)	738	738	Unch
Chokar (34 kg)	455	455	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:906.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	448.75	454.25	443.75	445.75	-3.50
17-Sep	463.00	468.00	457.75	460.00	-3.25
17-Dec	484.25	488.75	478.50	481.25	-3.25
18-Mar	500.75	505.25	496.00	498.00	-3.50
18-May	512.25	516.75	508.00	509.75	-3.50
18-Jul	518.75	525.25	516.00	518.25	-2.75

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2017 Indian Agribusiness Systems Pvt Ltd.