

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:

The Saudi Arabia Grain Organization has purchased 805000 tonnes wheat through tender. The said quantity will arrive at three different ports. Around 440000 tonnes will arrive at Jeddah port, 255000 tonnes at Dammam and the remaining 110000 tonnes at Jazan port. In its last tender on 13th March'17 SAGO purchased 735000 tonnes of wheat. Saudi Arabia abandoned plans of self sufficiency in 2008 as farming in desert reduced scarce water resources and became a major importer of hard and soft wheat.

USDA has increased forecast for wheat output despite unfavorable weather conditions. The agency increased winter wheat production to 1.250 billion bushels from 1.246 billion bushels and raised Kansas winter wheat yields by 2 bushels per acre to 44 bushels per acre.

GASC has purchased 360000 tonnes of wheat through tender. Of the total quantity 240000 tonnes is of Russian origin and 120000 tonnes is of Romanian origin. GTCS offered 60000 tonnes of Russian wheat at FoB \$192.77 per tonne, AOS offered 60000 tonnes of Russian wheat at FoB \$200.20 per tonne, Friends offered 60000 tonnes of Russian wheat at FoB \$199.20 per tonne, Aston offered 60000 tonnes of Russian wheat at FoB \$195.95 per tonne, Cofco offered 60000 tonnes of Romanian wheat at FoB \$194.50 per tonne and Cereacom offered 60000 tonnes of Romanian wheat at FoB \$194.94 per tonne.

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.

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

Wheat Futures Contract: NCDEX Price								Date: 12.06.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	-2	1590	1591	1584	1584	2830	-7,070	3160	-1,350
17-July	+1	1614	1615	1607	1608	3190	-5,830	25420	1,280
17-Aug	+2	1637	1642	1631	1632	320	260	270	210

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-81			
17-Jul		24		
17-Aug			24	

Stocks	Demat	In- Process	Total	FED
	10.Jun.17	10.Jun.17	10.Jun.17	5.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14686	51	14737	14272
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 12.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Jun-17	10-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1750	1750	Unch
	Narella	Mill Quality Loose	1665	1670	-5
	Nazafgarh	Mill Quality Loose	1640	1650	-10
Gujarat	Rajkot	Mill Delivery	1480	1470	10
	Ahmedabad	Mill Delivery	1650	1640	10
	Surat	Mill Delivery	1700	1675	25
	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	1745	Unch
	Mathura	Mill Quality Loose	1580	1585	-5
	Kosi	Mill Quality Loose	1585	1585	Unch
	Hathras	Mill Quality Loose	1580	1580	Unch
	Aligarh	Mill Quality Loose	1600	1590	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	1600	1610	-10
	Karnal	Mill Delivery	1630	1625	5
	Panipat	Mill Quality Loose	NR	NR	-
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	1625	-25
	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
			12-Jun-17	10-Jun-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1700	1680	20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Jun-17	10-Jun-17	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	800	1000	-200
	Nazafgarh	Mill Quality Loose	300	200	100
Gujarat	Rajkot	Mill Quality Loose	1200	1500	-300
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	7000	3000	4000
U.P.	Kanpur	Mill Quality Loose	NR	11200	-
	Mathura	Mill Quality Loose	2000	1100	900
	Kosi	Mill Quality Loose	2000	1800	200
	Hathras	Mill Quality Loose	85	100	-15
	Aligarh	Mill Quality Loose	500	100	400
Punjab	Khanna	Mill Quality Loose	800	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	800	700	100

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

Wheat Products Delhi	12-Jun-17	10-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

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