

Wheat Domestic Fundamentals:

There is a rumor in the market that GST has been delayed and will be applicable from 01st September'17. However government is keeping a firm stand on this, stating that GST will be applicable from 01st July'17 only and general public should not be misled by such rumors.

Government agencies have started procurement since 15th March'17. Until 13th June'17 government has procured around 304.25 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, 33.57 lakh tonnes from Uttar Pradesh and 12.12 lakh tonnes from Rajasthan. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 92.19% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

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 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, china has sold 1809 tonnes of imported wheat for average price of 2550 yuan (\$375.24) per tonne at an auction of state reserves on Tuesday. The quantity sold represents around 1.19 percent of 151854 tonnes of wheat available at auction.

As per latest update by USDA around 50% of winter wheat and 45% of spring wheat is in good or excellent condition compared to 61% and 79% a year ago respectively. Further around 17% of winter wheat has been harvested and 95% of spring wheat has emerged.

As per latest update, Egypt has procured around 3.4 million tonnes of wheat since the beginning of its harvesting season from mid-April. The ministry is targeting local procurement between 3.5 million to 4 million tonnes. Egypt also has 1.2 million tonnes in sugar reserves, 3.2 lakh tonnes of vegetable oil reserves and 1.5 lakh tonnes of rice reserves.

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.

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

Wheat Futures Contract: NCDEX Price								Date:13.06.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	-3	1587	1584	1582	1584	440	-2,390	230	-2,930
17-July	0	1607	1610	1604	1610	880	-2,310	25440	20
17-Aug	-10	1627	1627	1624	1626	70	-250	340	70

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-96			
17-Jul		26		
17-Aug			16	

Stocks	Demat	In- Process	Total	FED
	12.Jun.17	12.Jun.17	12.Jun.17	12.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14686	101	14787	14272
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 13.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jun-17	12-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1745	1750	-5
	Narella	Mill Quality Loose	1680	1665	15
	Nazafgarh	Mill Quality Loose	1645	1640	5
Gujarat	Rajkot	Mill Delivery	1485	1480	5
	Ahmedabad	Mill Delivery	1675	1650	25
	Surat	Mill Delivery	1700	1700	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	Closed	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1500	1480	20
		Mill Delivery	1600	1570	30
U.P.	Kanpur	Mill Delivery	1735	1745	-10
	Mathura	Mill Quality Loose	1585	1580	5
	Kosi	Mill Quality Loose	1590	1585	5
	Hathras	Mill Quality Loose	1570	1580	-10
	Aligarh	Mill Quality Loose	1600	1600	Unch
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	1700	1690	10

	Bhiwani	Mill Quality Loose	1625	1600	25
	Karnal	Mill Delivery	1630	1630	Unch
	Panipat	Mill Quality Loose	NR	NR	-
Tamil Nadu	Chennai	Mill Quality	2000	1950	50
	Madurai	Mill Quality	2057	2007	50
	Coimbatore	Mill Quality	2057	2007	50
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
			13-Jun-17	12-Jun-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	LokwanBilty	1750	1700	50
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jun-17	12-Jun-17	
Delhi	Lawrence Road	Mill Delivery	9000	7000	2000
	Narella	Mill Quality Loose	1000	800	200
	Nazafgarh	Mill Quality Loose	100	300	-200
Gujarat	Rajkot	Mill Quality Loose	800	1200	-400
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	8000	7000	1000
U.P.	Kanpur	Mill Quality Loose	11000	NR	-
	Mathura	Mill Quality Loose	1000	2000	-1000
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	250	85	165
	Aligarh	Mill Quality Loose	500	500	Unch
Punjab	Khanna	Mill Quality Loose	800	800	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	700	800	-100

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

Wheat Products Delhi	13-Jun-17	12-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:1206.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	443.25	444.00	431.25	434.00	-11.75
17-Sep	457.25	458.25	445.50	448.50	-11.50
17-Dec	478.50	479.75	467.50	470.75	-10.50
18-Mar	495.50	496.25	485.00	488.25	-9.75
18-May	506.75	508.00	497.50	500.75	-9.00
18-Jul	515.50	516.25	505.25	509.00	-9.25

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