

Wheat Domestic Fundamentals:

As per latest update, wheat stock in central pool as on 1st June'17 stood at 33.44 MMT up by 12.82% compared to last month. This quantity is higher by around 8.02% compared to last year for the same month. For the year 2017-18, FCI has decided to sell around 40 lakh tonnes of wheat. 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.

FCI will sell 16000 tonnes of wheat through e-auction in Delhi tomorrow at various depots. The reserve price has been fixed at Rs 1790 per quintal plus freight and other taxes/charges. Government is likely to sell around 40 lakh tonnes of wheat in MY 2017-18 compared to 46 lakh tonnes in MY 2016-17.

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.

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 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:

Australia has given its production forecast for 2017-18 at 24.19 MMT compared to last year's record crop of 35.1 MMT. The area has been decreased by around 1.2 percent to 12689 thousand hectares compared to 2016-17. Last year exceptional yields have led to a record crop, however this year yields have returned to normal levels.

GASC has purchased 300000 tonnes of wheat through tender. Of the total quantity 180000 tonnes is of Russian origin, 60000 tonnes is of Romanian origin and 60000 tonnes is of Ukrainian origin. Friends offered 60000 tonnes of Russian wheat at FoB \$205.47 per tonne, Daewoo offered 60000 tonnes of Russian wheat at FoB \$206.88 per tonne, Aston offered 60000 tonnes of Russian wheat at FoB \$206.88 per tonne, ADM offered 60000 tonnes of Romanian wheat at FoB \$205.57 per tonne and Aston offered 60000 tonnes of Romanian wheat at FoB \$206.88 per tonne.

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.

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

| Wheat Futures Contract: NCDEX Price | | | | | | | Date: 14.06.2017 | | |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-------|-----------------------|
| Contract Month | Ch. from previous day | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 17-Jun | 32 | 1583 | 1615 | 1610 | 1615 | 110 | -330 | 230 | 0 |
| 17-July | 11 | 1611 | 1618 | 1611 | 1617 | 1350 | 470 | 25060 | -380 |
| 17-Aug | - | - | - | - | - | - | - | - | - |

| Spread | Jun-17 | Jul-17 | Aug-17 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 17-Jun | -65 | | | |
| 17-Jul | | 2 | | |
| 17-Aug | | | - | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 13.Jun.17 | 13.Jun.17 | 13.Jun.17 | 12.Jun.17 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 14787 | 0 | 14787 | 14272 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 14.06.2017

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 14-Jun-17 | 13-Jun-17 | |
| Delhi | Lawrence Road | Mill Delivery | 1745 | 1745 | Unch |
| | Narella | Mill Quality Loose | Closed | 1680 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 1645 | - |
| Gujarat | Rajkot | Mill Delivery | 1500 | 1485 | 15 |
| | Ahmedabad | Mill Delivery | 1680 | 1675 | 5 |
| | Surat | Mill Delivery | 1710 | 1700 | 10 |
| | 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 | 1500 | Unch |
| | | Mill Delivery | 1600 | 1600 | Unch |
| U.P. | Kanpur | Mill Delivery | 1735 | 1735 | Unch |
| | Mathura | Mill Quality Loose | 1585 | 1585 | Unch |
| | Kosi | Mill Quality Loose | 1588 | 1590 | -2 |
| | Hathras | Mill Quality Loose | 1570 | 1570 | Unch |
| | 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 | 1700 | Unch |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 1640 | 1625 | 15 |
| | Karnal | Mill Delivery | 1630 | 1630 | Unch |
| | Panipat | Mill Quality Loose | NR | NR | - |
| Tamil Nadu | Chennai | Mill Quality | 2000 | 2000 | Unch |
| | Madurai | Mill Quality | 2057 | 2057 | Unch |
| | Coimbatore | Mill Quality | 2057 | 2057 | 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 |
|-----------|--------|-------------|-----------------|-----------|--------|
| | | | 14-Jun-17 | 13-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 | 1750 | 1750 | Unch |
| | Baran | Lokwan | 1700 | 1700 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 14-Jun-17 | 13-Jun-17 | |
| Delhi | Lawrence Road | Mill Delivery | 7000 | 9000 | -2000 |
| | Narella | Mill Quality Loose | Closed | 1000 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 100 | - |
| Gujarat | Rajkot | Mill Quality Loose | 1000 | 800 | 200 |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Quality Loose | Closed | Closed | - |
| Rajasthan | Kota | Mill Quality | 8000 | 8000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 11500 | 11000 | 500 |
| | Mathura | Mill Quality Loose | 1000 | 1000 | Unch |
| | Kosi | Mill Quality Loose | 2000 | 2000 | Unch |
| | Hathras | Mill Quality Loose | 200 | 250 | -50 |
| | Aligarh | Mill Quality Loose | 500 | 500 | Unch |
| Punjab | Khanna | Mill Quality Loose | 600 | 800 | -200 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 300 | -100 |
| | 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 | 14-Jun-17 | 13-Jun-17 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 985 | 985 | Unch |
| Maida Grade 1 (50KG) | 1315 | 1315 | Unch |
| Suji (50kg) | 1390 | 1390 | Unch |
| Chokar (50 kg) | 741 | 738 | 3 |
| Chokar (34 kg) | 441 | 455 | -14 |
| 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:1306.2017 | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 17-Jul | 437.25 | 446.25 | 436.75 | 445.00 | 11.00 |
| 17-Sep | 450.50 | 459.75 | 450.50 | 459.25 | 10.75 |
| 17-Dec | 473.00 | 481.25 | 473.00 | 480.75 | 10.00 |
| 18-Mar | 491.25 | 498.50 | 490.75 | 498.25 | 10.00 |
| 18-May | 504.00 | 510.75 | 503.25 | 510.75 | 10.00 |
| 18-Jul | 512.00 | 520.75 | 511.25 | 520.25 | 11.25 |

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