

Wheat Domestic Fundamentals:

Major market remained close due to strike/Protest against GST.

As per market sources, Ukraine is offering wheat with 10.5 percent protein for CFR \$218-220 per tonne at Tuticorin port for July-August shipment. However due to good production, unsold stock at port silos and lower domestic prices buyers are not finding these prices attractive.

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.

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:

As per latest update, Japan's ministry of agriculture bought 162286 MMT of food quality wheat from United States, Australia and Canada. Around 98536 MMT with minimum protein content of 14 percent has been bought from United States to be loaded between July 21 - August 20, 28620 MMT has been bought from Canada with minimum protein content of 13.5 percent to be loaded between August 21- September 20 and 35130 MMT of standard white has been bought from west Australia to be loaded between August 1-August 31.

The Rosario grain exchange has increased Argentina's winter wheat area by around 8 percent to 5.6 million hectares from 5.2 million hectares. Wheat crop is likely to hit a new record of 17.5 million tonnes in 2017-18 compared to 16.3 million tonnes in 2016-17. The increase in production of upcoming crop is mainly attributed to better crop technology. The only concern is regarding excessive moisture levels which are making it hard to prepare the land for planting.

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.

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

Wheat Futures Contract: NCDEX Price								Date:15.06.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	0	1611	1615	1610	1611	110	0	120	-110
17-July	-1	1618	1623	1615	1617	1080	-270	25230	170
17-Aug	+15	1637	1642	1637	1640	230	160	530	190

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-64			
17-Jul		6		
17-Aug			23	

Stocks	Demat	In- Process	Total	FED
	14.Jun.17	14.Jun.17	14.Jun.17	12.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14787	71	14858	14272
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 15.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Jun-17	14-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1745	1745	Unch
	Narella	Mill Quality Loose	1675	Closed	-
	Nazafgarh	Mill Quality Loose	1640	Closed	-
Gujarat	Rajkot	Mill Delivery	Closed	1500	-
	Ahmedabad	Mill Delivery	Closed	1680	-
	Surat	Mill Delivery	Closed	1710	-
	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	1725	1735	-10
	Mathura	Mill Quality Loose	1580	1585	-5
	Kosi	Mill Quality Loose	1585	1588	-3
	Hathras	Mill Quality Loose	1550	1570	-20
	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	1640	Unch
	Karnal	Mill Delivery	1640	1630	10
	Panipat	Mill Quality Loose	1625	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	1625	1600	25
	Muzaffarpur	Mill Delivery	1525	1550	-25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Jun-17	14-Jun-17	
Gujarat	Rajkot	Lokwan	Closed	1700	-
M.P.	Indore	Lokwan	Closed	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Jun-17	14-Jun-17	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	1200	Closed	-
	Nazafgarh	Mill Quality Loose	300	Closed	-
Gujarat	Rajkot	Mill Quality Loose	Closed	1000	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality	6000	8000	-2000
U.P.	Kanpur	Mill Quality Loose	11700	11500	200
	Mathura	Mill Quality Loose	1500	1000	500
	Kosi	Mill Quality Loose	2000	2000	Unch
	Hathras	Mill Quality Loose	350	200	150
	Aligarh	Mill Quality Loose	700	500	200
Punjab	Khanna	Mill Quality Loose	600	600	Unch
	(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	1000	800	200

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

Wheat Products Delhi	15-Jun-17	14-Jun-17	Change
Atta (50kg) Ordinary	985	985	Unch
Maida Grade 1 (50KG)	1315	1315	Unch
Suji (50kg)	1390	1390	Unch
Chokar (50 kg)	709	741	-32
Chokar (34 kg)	441	441	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:1406.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	445.00	452.25	441.75	443.00	-2.00
17-Sep	459.00	466.50	456.00	457.25	-2.00
17-Dec	480.00	487.00	477.50	479.00	-1.75
18-Mar	497.25	504.00	495.00	496.75	-1.50
18-May	509.25	516.25	507.75	509.00	-1.75
18-Jul	519.00	525.50	516.25	517.50	-2.75

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