

Wheat Domestic Fundamentals:

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.

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:

Russian milling wheat export prices for old crop with 12.5% protein content at Novorossiysk port increased by \$ 1 per tonne reaching FoB \$189-192 per tonne for June delivery. This was mainly due to bullish trend in the world and decreased supply of food grains from Russia. Furthermore prices for the new crop also increased supported by concerns over the new crop due to unfavorable weather conditions.

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:16.06.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jun	0	1611	1611	1611	1611	-	-	-	-
17-July	7	1625	1640	1623	1628	4560	3,480	24080	-1,150
17-Aug	10	1658	1658	1647	1650	1580	1,350	1520	990

Spread	Jun-17	Jul-17	Aug-17	
Spot Narela				
17-Jun	-59			
17-Jul		17		
17-Aug			22	

Stocks	Demat	In- Process	Total	FED
	15.Jun.17	15.Jun.17	15.Jun.17	12.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14787	71	14858	14272
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 17.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Jun-17	16-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1740	1740	Unch
	Narella	Mill Quality Loose	1660	1670	-10
	Nazafgarh	Mill Quality Loose	1635	Closed	-
Gujarat	Rajkot	Mill Delivery	1500	1500	Unch
	Ahmedabad	Mill Delivery	1680	1680	Unch
	Surat	Mill Delivery	1710	1710	Unch
	Dhrol	Mill Quality Loose	0	NR	-
M.P.	Indore	Mill Delivery	1625	1625	Unch
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	1515	1515	Unch
		Mill Delivery	1615	1615	Unch
U.P.	Kanpur	Mill Delivery	1735	1750	-15
	Mathura	Mill Quality Loose	1585	1580	5
	Kosi	Mill Quality Loose	1588	1588	Unch
	Hathras	Mill Quality Loose	1530	1550	-20
	Aligarh	Mill Quality Loose	NR	1600	-
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	1620	1630	-10
	Karnal	Mill Delivery	1635	1635	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
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
			17-Jun-17	16-Jun-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	1650	1700	-50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Jun-17	16-Jun-17	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	600	700	-100
	Nazafgarh	Mill Quality Loose	150	Closed	-
Gujarat	Rajkot	Mill Quality Loose	600	1000	-400
	Dhrol	Mill Quality Loose	0	NR	-
M.P.	Indore	Mill Quality Loose	1500	2000	-500
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	13000	12200	800
	Mathura	Mill Quality Loose	1000	800	200
	Kosi	Mill Quality Loose	2000	1000	1000
	Hathras	Mill Quality Loose	200	350	-150
	Aligarh	Mill Quality Loose	NR	500	-
Punjab	Khanna	Mill Quality Loose	700	700	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	500	1000	-500

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

Wheat Products Delhi	17-Jun-17	16-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	709	Unch
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 :15 06.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	443.00	457.25	437.25	453.75	10.75
17-Sep	457.75	471.50	452.00	469.00	11.75
17-Dec	479.25	493.00	474.25	490.50	11.50
18-Mar	496.25	510.00	492.25	507.25	10.50
18-May	508.25	521.50	505.00	519.50	10.50
18-Jul	517.00	529.00	513.50	527.25	9.75

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