

Wheat Domestic Fundamentals:

As per market sources, Ukraine is offering 2nd class wheat for CNF \$240 per tonne and 3rd class wheat for CNF \$235 per tonne at Mundra port. Furthermore high quality Ukrainian wheat flour with protein content of 10.5% is being offered at FoB \$245 per tonne at Odessa port. However due to good production, unsold stock at port silos and lower domestic prices buyers are not finding these prices attractive.

Government agencies have started procurement since 15th March'17. Until 20th June'17 government has procured around 306.54 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, 35.68 lakh tonnes from Uttar Pradesh and 12.30 lakh tonnes from Rajasthan. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Government has achieved 92.89% of its procurement target. Last year government was able to procure only 229 lakh tonnes due to lower production.

FCI will sell 160500 tonnes of wheat through e-auction in Maharashtra, 16000 tonnes in Delhi and 2000 tonnes in Uttar Pradesh on 22nd June 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.

All India weekly average prices decreased by 5.40 percent to Rs. 1685.07 per quintal during the week ended 15th April 2017. Wheat average price were ruling at Rs 1781.34 per quintal during 01-08 April 2017. As compared to prices in the week 09th -15th April 2016, the prices are weak by 5.18 percent. Prices are expected to remain range bound to slightly weak in coming days.

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.

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:

Wheat crop in France and Spain are likely to be damaged by an upcoming heat wave whereas Germany, Poland and UK are likely to benefit from rain. Forecast for soft wheat has been downgraded by 1.1 million tonnes to 141.6 million tonnes. France's crop was damaged last year as well due to unfavorable weather conditions.

Egypt has concluded its local wheat procurement from farmers at 3.4 million tonnes, just short of its target of 3.5-4 million tonnes. Furthermore Egypt has also purchased 350000 tonnes of durum wheat apart from 3.4 million tonnes which would be sold to local pasta factories.

As per latest update by USDA around 49% of winter wheat and 41% of spring wheat is in good or excellent condition compared to 61% and 76% a year ago respectively. Further around 28% of winter wheat has been harvested.

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, china has sold 1809 tonnes of wheat for average price of 2436 yuan (\$356.45) per tonne at an auction of state reserves on Tuesday. The quantity sold represents around 0.43 percent of 3024632 tonnes of wheat available at auction.

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

Wheat Futures Contract: NCDEX Price							Date:23.06.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-July	-3	1614	1613	1611	1611	690	90	23330	-590
17-Aug	-4	1634	1634	1630	1630	730	270	3400	680
17-Sep	0	1654	1654	1654	1654	-	-	-	-

Spread	Jul-17	Aug-17	Sep-17	
Spot Narela				
17-Jul	-19			
17-Aug		19		
17-Sep			24	

Stocks	Demat	In- Process	Total	FED
	22.Jun.17	22.Jun.17	22.Jun.17	19.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14908	0	14908	14857
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 23.06.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jun-17	22-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1740	1740	Unch
	Narella	Mill Quality Loose	1630	1670	-40
	Nazafgarh	Mill Quality Loose	1630	1630	Unch
Gujarat	Rajkot	Mill Delivery	1520	1515	5
	Ahmedabad	Mill Delivery	1700	1700	Unch
	Surat	Mill Delivery	1725	1720	5
	Dhrol	Mill Quality Loose	1700	1620	80
M.P.	Indore	Mill Delivery	1600	1625	-25
	Bhopal	Mill Quality Loose	Closed	1600	-
Rajasthan	Kota	Mill Quality Loose	1515	1530	-15
		Mill Delivery	1625	1630	-5
U.P.	Kanpur	Mill Delivery	1740	1720	20
	Mathura	Mill Quality Loose	1555	1560	-5
	Kosi	Mill Quality Loose	1575	1575	Unch
	Hathras	Mill Quality Loose	1550	1560	-10
	Aligarh	Mill Quality Loose	1575	1575	Unch
Punjab	Khanna	Mill Quality Loose	1610	1600	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1635	1635	Unch
	Hodal	Mill Delivery	1690	1690	Unch

	Bhiwani	Mill Quality Loose	1630	1620	10
	Karnal	Mill Delivery	1640	1640	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	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
			23-Jun-17	22-Jun-17	
Gujarat	Rajkot	Lokwan	1750	1750	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	Closed	1800	-
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jun-17	22-Jun-17	
Delhi	Lawrence Road	Mill Delivery	7000	7000	Unch
	Narella	Mill Quality Loose	500	700	-200
	Nazafgarh	Mill Quality Loose	200	400	-200
Gujarat	Rajkot	Mill Quality Loose	1200	1200	Unch
	Dhrol	Mill Quality Loose	51	475	-424
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	6000	4000	2000
U.P.	Kanpur	Mill Quality Loose	15500	12000	3500
	Mathura	Mill Quality Loose	1200	800	400
	Kosi	Mill Quality Loose	3000	3000	Unch
	Hathras	Mill Quality Loose	60	200	-140
	Aligarh	Mill Quality Loose	700	800	-100
Punjab	Khanna	Mill Quality Loose	600	700	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	200	100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	400	500	-100

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

Wheat Products Delhi	23-Jun-17	22-Jun-17	Change
Atta (50kg) Ordinary	985	985	Unch
Maida Grade 1 (50KG)	1315	1315	Unch
Suji (50kg)	1390	1390	Unch
Chokar (50 kg)	699	699	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 :22 06.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	464.50	465.25	455.50	461.25	-3.25
17-Sep	479.25	480.00	470.50	475.25	-4.25
17-Dec	501.75	502.25	493.00	497.50	-4.50
18-Mar	518.00	518.25	509.50	514.25	-3.75
18-May	528.50	528.50	521.50	526.00	-3.50
18-Jul	535.25	535.75	528.00	532.50	-3.25

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