

**Wheat Domestic Fundamentals:**

**Most of the Mandis remained closed due to protest against GST.**

**Government agencies have started procurement since 15th March'17. Until 27th June'17 government has procured around 307.93 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, 36.99 lakh tonnes from Uttar Pradesh, 12.38 lakh tonnes from Rajasthan, 0.02 lakh tonnes from Uttarakhand, 0.08 lakh tonnes from Chandigarh and 0.06 lakh tonnes from Gujarat. In Rabi marketing season 2017-18 government has set procurement target of 330 LMT. Last year government was able to procure only 229 lakh tonnes due to lower production.

**FCI will sell a total quantity 375000 tonnes of wheat in different states through e-auction on 29th June at a reserve price of Rs 1790 per quintal.** Of the total quantity in OMSS, highest quantity of 157500 tonnes is offered in Maharashtra followed by 50000 tonnes in West Bengal, 30000 tonnes in Odisha, 29500 tonnes in Gujarat, 22500 tonnes in Kerala, 19200 tonnes in Karnataka, 16500 tonnes in Tamil Nadu, 16000 tonnes in Delhi, 15000 tonnes in Assam, 8300 tonnes in Chattisgarh, 3000 tonnes in Uttar Pradesh, 2000 tonnes in Andhra Pradesh, 1500 tonnes in Himachal Pradesh and 1000 tonnes in each J&K, Jharkhand, Pondicherry and Goa.

**All India weekly average prices increased by 9.82 percent to Rs. 1850.5 per quintal during the week ended 23rd June 2017.** Wheat average price were ruling at Rs 1685.07 per quintal during 09-15 June 2017. As compared to prices in the week 16th -23rd June 2016, the prices are firm by 4.70 percent. Prices are expected to remain range bound to slightly weak in coming days.

**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.

**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:**

**IGC has decreased its projection for wheat to 735 MMT as on 29th June-2017 for 2017-18.** According to forecast by IGC for 2016-17 global wheat production was around 754 MMT against 738 MMT for 2015-16. The difference is around 19 MMT from previous year's production forecast. Trade projection has been increased by 1 MMT to 170 MMT. Consumption has also been reduced by 3 MMT to 735 MMT.

**As per latest update, china has sold 5765 tonnes of wheat for average price of 2453 yuan (\$359.29) per tonne at an auction** of state reserves on Tuesday. The quantity sold represents around 0.19 percent of 3020339 tonnes of wheat available at auction.

**Wheat prices in Russia have increased for the sixth week due to fear of crop loss in some of major producers and delayed local harvesting.** Black sea wheat prices for new crop increased by \$0.5 per tonne to \$185.5 per tonne compared to last week. Furthermore good international demand is also supporting wheat prices in the black sea region. Russia has exported 26.6 million tonnes of wheat from July 01 to June 21.

**As per latest update, wheat production in Ukraine is likely to be around 3 million tonnes to 23.1 million tonnes** compared to last year due to unfavorable weather conditions. Overall grain harvest is likely to fall by around 10-11 percent to 59 million tonnes.

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

| Wheat Futures Contract: NCDEX Price |                       |      |      |      |       |        |                       | Date:30.06.2017 |                       |
|-------------------------------------|-----------------------|------|------|------|-------|--------|-----------------------|-----------------|-----------------------|
| Contract Month                      | Ch. from previous day | Open | High | Low  | Close | Volume | Ch. From previous day | OI              | Ch. From previous day |
| 17-July                             | +1                    | 1605 | 1606 | 1601 | 1604  | 1310   | 770                   | 21190           | -1,080                |
| 17-Aug                              | -1                    | 1626 | 1627 | 1620 | 1624  | 1320   | 550                   | 5940            | 1,040                 |
| 17-Sep                              | 0                     | 1647 | 1647 | 1647 | 1647  | -      | -                     | -               | -                     |

| Spread      | Jul-17 | Aug-17 | Sep-17 |  |
|-------------|--------|--------|--------|--|
| Spot Narela |        |        |        |  |
| 17-Jul      | 14     |        |        |  |
| 17-Aug      |        | 20     |        |  |
| 17-Sep      |        |        | 23     |  |

| Stocks | Demat     | In- Process | Total     | FED       |
|--------|-----------|-------------|-----------|-----------|
|        | 29.Jun.17 | 29.Jun.17   | 29.Jun.17 | 26.Jun.17 |
| Delhi  | -         | -           | -         | -         |
| Itarsi | -         | -           | -         | -         |
| Kanpur | -         | -           | -         | -         |
| Kota   | 14908     | 0           | 14908     | 14908     |
| Rajkot | -         | -           | -         | -         |

**Wheat Daily Prices and Arrivals on 30.06.2017**

| Centre    | Market             | Variety             | Prices (Rs/Qtl) |           | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
|           |                    |                     | 30-Jun-17       | 29-Jun-17 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1720            | 1720      | Unch   |
|           | Narella            | Mill Quality Loose  | 1590            | 1600      | -10    |
|           | Nazafgarh          | Mill Quality Loose  | 1625            | 1625      | Unch   |
| Gujarat   | Rajkot             | Mill Delivery       | Closed          | 1540      | -      |
|           | Ahmedabad          | Mill Delivery       | Closed          | 1690      | -      |
|           | Surat              | Mill Delivery       | Closed          | 1720      | -      |
|           | Dhrol              | Mill Quality Loose  | NR              | 1595      | -      |
| M.P.      | Indore             | Mill Delivery       | Closed          | 1600      | -      |
|           | Bhopal             | Mill Quality Loose  | Closed          | 1625      | -      |
| Rajasthan | Kota               | Mill Quality Loose  | Closed          | 1510      | -      |
|           |                    | Mill Delivery       | Closed          | 1620      | -      |
| U.P.      | Kanpur             | Mill Delivery       | 1740            | 1740      | Unch   |
|           | Mathura            | Mill Quality Loose  | Closed          | Closed    | -      |
|           | Kosi               | Mill Quality Loose  | Closed          | Closed    | -      |
|           | Hathras            | Mill Quality Loose  | Closed          | 1520      | -      |
|           | Aligarh            | Mill Quality Loose  | 1540            | 1550      | -10    |
| Punjab    | Khanna             | Mill Quality Loose  | 1610            | NR        | -      |
|           | Ludhiana (Jagraon) | Mill Delivery       | NR              | NA        | -      |
| Haryana   | Sirsa              | Mill Delivery loose | NR              | NR        | -      |
|           | Hodal              | Mill Delivery       | 1685            | 1685      | Unch   |

|                   |                               |                    |        |      |      |
|-------------------|-------------------------------|--------------------|--------|------|------|
|                   | Bhiwani                       | Mill Quality Loose | 1590   | 1590 | Unch |
|                   | Karnal                        | Mill Delivery      | NA     | 1635 | -    |
|                   | Panipat                       | Mill Quality Loose | 1625   | 1625 | Unch |
| <b>Tamil Nadu</b> | Chennai                       | Mill Quality       | Closed | 1950 | -    |
|                   | Madurai                       | Mill Quality       | Closed | 2007 | -    |
|                   | Coimbatore                    | Mill Quality       | Closed | 2007 | -    |
| <b>Bihar</b>      | Khagariya                     | Mill Delivery      | 1650   | 1600 | 50   |
|                   | Muzaffarpur                   | Mill Delivery      | 1550   | 1550 | Unch |
| <b>FOR</b>        | Kandla (Rajasthan-Rajkot)     | Mill Quality       | Closed | NR   | -    |
|                   | Gandhidham (Rajasthan-Rajkot) | Mill Quality       | Closed | NR   | -    |

| Centre           | Market | Variety     | Prices (Rs/Qtl) |           | Change |
|------------------|--------|-------------|-----------------|-----------|--------|
|                  |        |             | 30-Jun-17       | 29-Jun-17 |        |
| <b>Gujarat</b>   | Rajkot | Lokwan      | Closed          | 1750      | -      |
| <b>M.P.</b>      | Indore | Lokwan      | Closed          | 1900      | -      |
|                  | Bhopal | Lokwan      | Closed          | 1700      | -      |
|                  | Bina   | Sarbati 306 | Closed          | 2200      | -      |
| <b>Rajasthan</b> | Kota   | LokwanBilty | Closed          | 1750      | -      |
|                  | Baran  | Lokwan      | Closed          | Closed    | -      |

**Wheat Arrivals in Key Centers:**

| Centre           | Market            | Variety            | Arrivals (Bags/Qtl) |           | Change |
|------------------|-------------------|--------------------|---------------------|-----------|--------|
|                  |                   |                    | 30-Jun-17           | 29-Jun-17 |        |
| <b>Delhi</b>     | Lawrence Road     | Mill Delivery      | 8000                | 8000      | Unch   |
|                  | Narella           | Mill Quality Loose | 200                 | 400       | -200   |
|                  | Nazafgarh         | Mill Quality Loose | 150                 | 150       | Unch   |
| <b>Gujarat</b>   | Rajkot            | Mill Quality Loose | Closed              | 1000      | -      |
|                  | Dhrol             | Mill Quality Loose | NR                  | 125       | -      |
| <b>M.P.</b>      | Indore            | Mill Quality Loose | Closed              | 1500      | -      |
| <b>Rajasthan</b> | Kota              | Mill Quality       | Closed              | 4000      | -      |
| <b>U.P.</b>      | Kanpur            | Mill Quality Loose | 12000               | 12500     | -500   |
|                  | Mathura           | Mill Quality Loose | Closed              | Closed    | -      |
|                  | Kosi              | Mill Quality Loose | Closed              | Closed    | -      |
|                  | Hathras           | Mill Quality Loose | Closed              | 500       | -      |
|                  | Aligarh           | Mill Quality Loose | 400                 | 250       | 150    |
| <b>Punjab</b>    | Khanna            | Mill Quality Loose | 600                 | NR        | -      |
|                  | (Ludhiana)Jagraon | Mill Quality Loose | NR                  | NA        | -      |
| <b>Haryana</b>   | Sirsa             | Mill Quality Loose | NR                  | NR        | -      |
|                  | Hodal             | Mill Quality Loose | 50                  | 50        | Unch   |
|                  | Bhiwani           | Mill Quality Loose | 500                 | 600       | -100   |

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

| Wheat Products Delhi         | 30-Jun-17 | 29-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:2906.2017 |        |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month                      | Open   | High   | Low    | Close  | Change |
| 17-Jul                              | 457.00 | 483.75 | 456.25 | 480.25 | 23.00  |
| 17-Sep                              | 473.00 | 498.75 | 472.00 | 496.00 | 23.00  |
| 17-Dec                              | 495.00 | 518.00 | 494.75 | 515.50 | 20.25  |
| 18-Mar                              | 508.75 | 531.25 | 508.75 | 529.00 | 19.00  |
| 18-May                              | 520.00 | 540.50 | 520.00 | 538.50 | 17.75  |
| 18-Jul                              | 525.00 | 544.50 | 525.00 | 542.50 | 16.50  |

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