

Wheat Domestic Fundamentals:

No major trading activities were seen in cash wheat market. Traders remained active to know GST impact on market and trade on very first day of 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
	30.Jun.17	30.Jun.17	30.Jun.17	26.Jun.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14908	0	14908	14908
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 01.07.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Jul-17	30-Jun-17	
Delhi	Lawrence Road	Mill Delivery	1720	1720	Unch
	Narella	Mill Quality Loose	1590	1590	Unch
	Nazafgarh	Mill Quality Loose	1625	1625	Unch
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1600	Closed	-
	Bhopal	Mill Quality Loose	Closed	Closed	-
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
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	Closed	-
	Aligarh	Mill Quality Loose	1520	1540	-20
Punjab	Khanna	Mill Quality Loose	1615	1610	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NR	-
Haryana	Sirsa	Mill Delivery loose	1625	NR	-
	Hodal	Mill Delivery	1685	1685	Unch

	Bhiwani	Mill Quality Loose	1590	1590	Unch
	Karnal	Mill Delivery	1640	NA	-
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	1650	1650	Unch
	Muzaffarpur	Mill Delivery	1550	1550	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Jul-17	30-Jun-17	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	1900	Closed	-
	Bhopal	Lokwan	Closed	Closed	-
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			1-Jul-17	30-Jun-17	
Delhi	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	150	150	Unch
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	2000	Closed	-
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	21500	12000	9500
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	Closed	Closed	-
	Hathras	Mill Quality Loose	Closed	Closed	-
	Aligarh	Mill Quality Loose	150	400	-250
Punjab	Khanna	Mill Quality Loose	400	600	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NR	-
Haryana	Sirsa	Mill Quality Loose	200	NR	-
	Hodal	Mill Quality Loose	80	50	30
	Bhiwani	Mill Quality Loose	600	500	100

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

Wheat Products Delhi	1-Jul-17	30-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:30.06.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	480.25	511.50	480.25	511.00	30.75
17-Sep	496.00	526.00	496.00	526.00	30.00
17-Dec	517.50	545.50	515.50	545.00	29.50
18-Mar	529.00	559.00	529.00	558.75	29.75
18-May	538.50	567.25	538.50	567.25	28.75
18-Jul	540.25	572.00	540.25	570.25	27.75

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