

Wheat Domestic Fundamentals:

All India average monthly prices for wheat decreased by 4.89 percent from Rs 1798.19 (in May) to Rs 1710.2 per qtl in June-2017. Average price (June) is lower by 3.52 percent compared to price (Rs 1772.54 per qtl.) registered in June-2016. Demand from south Indian millers is weak and government has no intention of increasing import duty as of now. With the beginning of festive season prices may get some support and are likely to move from steady to firm.

FCI will sell a total quantity 483000 tonnes of wheat in different states through e-auction on 06th July at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 244000 tonnes is offered in Maharashtra followed by 50000 tonnes in West Bengal, 45000 tonnes in Madhya Pradesh, 32000 tonnes in Gujarat, 20400 tonnes in Karnataka, 20000 tonnes in Rajasthan, 16000 tonnes in Delhi, 15200 tonnes in Kerela, 13500 tonnes in Tamil Nadu, 15000 tonnes in Assam, 4400 tonnes in Chhattisgarh, 5000 tonnes in J&k, 1000 tonnes in Pondicherry and 1500 tonnes in Goa.

India has extended exemption for crop fumigation by six month to 30th December 2017. Prior to this, India has stated that after 30th June 2017 the country would accept cargoes that are fumigated with methyl bromide at the port of origin. However this extension of six months comes with a cost as cargoes need to be fumigated at port of destination in India at five times the normal cost of fumigation. This will add up to \$ 11.18 per tonne for container shipment. Methyl bromide has been banned or restricted in many countries due to its unfriendly atmospheric properties.

Government agencies have started procurement since 15th March'17. Until 30th June'17 government has procured around 307.98 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, 12.43 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.

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 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:

Algeria state grains agency OAIC has bought around 420000 tonnes of milling wheat in a tender that closed on Tuesday. The prices paid were in the range of \$213.75 - \$216.0 per tonne (Cost and Freight). The quantity to be shipped is due in September. Major part of the quantity is likely to be sourced from France but some quantity can come from Argentina as well.

Wheat CBOT has increased in last few days touching new highs as dry weather accompanied with above normal temperature affected crop. As per forecast by USDA production in U.S. is likely to be around 49 MMT compared to 62.8 MMT last year. CBOT closed at 536.75 (cent/bushel) reaching a new high since last year.

Wheat area in Ukraine came to around 6.28 million hectares. Farmers have started harvesting wheat and as of now they have harvested around 315000 tonnes of wheat. The ministry has given no official forecast regarding production of wheat harvest but analysts believe it to be around 23-25 million tonnes.

As per latest update, china has sold 21223 tonnes of wheat for average price of 2432 yuan (\$357.76) per tonne at an auction of state reserves on Tuesday. The quantity sold represents around 0.70 percent of 3006652 tonnes of wheat available at auction.

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:05.07.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-July	+10	1626	1635	1622	1635	3750	-70	13090	-2,440
17-Aug	+8	1646	1654	1646	1654	3590	-120	13610	1,870
17-Sep	0	1667	1667	1667	1667	-	-	-	-

Spread	Jul-17	Aug-17	Sep-17	
Spot Narela				
17-Jul	5			
17-Aug		19		
17-Sep			13	

Stocks	Demat	In- Process	Total	FED
	4.Jul.17	4.Jul.17	4.Jul.17	3.Jul.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14908	0	14908	14908
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 05.07.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Jul-17	4-Jul-17	
Delhi	Lawrence Road	Mill Delivery	1730	1725	5
	Narella	Mill Quality Loose	Closed	1630	-
	Nazafgarh	Mill Quality Loose	Closed	1635	-
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	1690	1690	Unch
	Surat	Mill Delivery	1725	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1560	1600	-40
Rajasthan	Kota	Mill Quality Loose	1515	1515	Unch
		Mill Delivery	1615	1615	Unch
U.P.	Kanpur	Mill Delivery	1750	1740	10
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1535	1525	10
	Hathras	Mill Quality Loose	1510	1515	-5
	Aligarh	Mill Quality Loose	Closed	1540	-
Punjab	Khanna	Mill Quality Loose	1630	1625	5
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1625	1625	Unch
	Hodal	Mill Delivery	1685	1685	Unch

	Bhiwani	Mill Quality Loose	1600	1570	30
	Karnal	Mill Delivery	1630	1630	Unch
	Panipat	Mill Quality Loose	NR	NR	-
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch
	Madurai	Mill Quality	2007	2007	Unch
	Coimbatore	Mill Quality	2007	2007	Unch
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
			5-Jul-17	4-Jul-17	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	Closed	2100	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1675	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Jul-17	4-Jul-17	
Delhi	Lawrence Road	Mill Delivery	6000	7000	-1000
	Narella	Mill Quality Loose	Closed	500	-
	Nazafgarh	Mill Quality Loose	Closed	300	-
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Quality Loose	16500	18500	-2000
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1000	500	500
	Hathras	Mill Quality Loose	200	125	75
	Aligarh	Mill Quality Loose	Closed	30	-
Punjab	Khanna	Mill Quality Loose	500	600	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	85	85	Unch
	Bhiwani	Mill Quality Loose	600	600	Unch

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

Wheat Products Delhi	5-Jul-17	4-Jul-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:4.07.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	518.25	539.00	518.25	536.75	25.75
17-Sep	538.25	556.00	533.50	555.00	29.00
17-Dec	555.00	575.00	552.50	574.00	29.00
18-Mar	566.75	588.75	563.50	587.50	28.75
18-May	571.25	596.00	571.25	594.50	27.25
18-Jul	570.00	597.00	569.00	596.00	25.75

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