

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'17. For Rabi marketing season 2017-18 government has procured 308 lakh tonnes. 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, 12.45 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.

Sellers are offering Ukrainian origin wheat with protein content of 11.5% for August delivery at Tuticorin port for CFR \$209 per tonne. Buyers are likely to buy at CFR \$206 per tonne. However due to good production, unsold stock at port silos and lower domestic prices buyers are not finding these prices attractive.

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 Kerala, 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.

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 condition in France improved slightly as showers provided relief after a dry June. Around 66 percent of wheat was reported in good or excellent condition compared to 65 percent a week ago.

GASC has purchased 410000 tonnes of wheat through tender. Of the total quantity 350000 tonnes is of Russian origin and 60000 tonnes is of Romanian origin. Glencore offered 60000 tonnes of Romanian wheat at FoB \$198 per tonne, AOS offered 55000 tonnes of Russian wheat at FoB \$197.90 per tonne, Daewoo offered 60000 tonnes of Russian wheat at FoB \$199.99 per tonne, GTCS offered 60000 tonnes of Russian wheat at FoB \$201.85 per tonne, Louis dreyfus offered 60000 tonnes of Russian wheat at FoB \$201.95 per tonne, Glencore offered 55000 tonnes of Russian wheat at FoB \$201.70 per tonne and Aston offered 60000 tonnes of Ukrainian wheat at FoB \$201.50 per tonne

As per latest update, Japan's ministry of agriculture bought 91660 MMT of food quality wheat from United States. Of the total quantity 37937 tonnes is western white, 18965 is hard red winter and 34758 is dark northern spring wheat to be loaded between August 21 - September 20.

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.

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

Wheat Futures Contract: NCDEX Price								Date:07.07.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-July	-2	1641	1645	1636	1638	5290	1,390	8180	-2,620
17-Aug	0	1660	1666	1656	1660	6210	1,700	18480	2,490
17-Sep	0	1680	1680	1680	1680	-	-	-	-

Spread	Jul-17	Aug-17	Sep-17	
Spot Narela				
17-Jul	-2			
17-Aug		22		
17-Sep			20	

Stocks	Demat	In- Process	Total	FED
	6.Jul.17	6.Jul.17	6.Jul.17	3.Jul.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	14908	50	14958	14908
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 07.07.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			7-Jul-17	6-Jul-17	
Delhi	Lawrence Road	Mill Delivery	1765	1745	20
	Narella	Mill Quality Loose	1640	1640	Unch
	Nazafgarh	Mill Quality Loose	1650	1635	15
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	1690	1690	Unch
	Surat	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1575	1600	-25
Rajasthan	Kota	Mill Quality Loose	1515	1515	Unch
		Mill Delivery	1615	1615	Unch
U.P.	Kanpur	Mill Delivery	1740	1750	-10
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1550	1530	20
	Hathras	Mill Quality Loose	1550	1510	40
	Aligarh	Mill Quality Loose	1570	1550	20
Punjab	Khanna	Mill Quality Loose	1650	1630	20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1630	1625	5
	Hodal	Mill Delivery	1685	1685	Unch



	Bhiwani	Mill Quality Loose	1625	1600	25
	Karnal	Mill Delivery	1660	1625	35
	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
			7-Jul-17	6-Jul-17	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	1700	1600	100

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			7-Jul-17	6-Jul-17	
Delhi	Lawrence Road	Mill Delivery	12000	7500	4500
	Narella	Mill Quality Loose	400	400	Unch
	Nazafgarh	Mill Quality Loose	200	250	-50
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	700	1000	-300
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	18000	16000	2000
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1200	800	400
	Hathras	Mill Quality Loose	150	200	-50
	Aligarh	Mill Quality Loose	150	200	-50
Punjab	Khanna	Mill Quality Loose	900	700	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	600	800	-200

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

Wheat Products Delhi	7-Jul-17	6-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:6.07.2017					
Contract Month	Open	High	Low	Close	Change
17-Jul	519.00	528.75	519.00	519.00	-20.25
17-Sep	560.00	560.00	535.00	539.00	-21.00
17-Dec	579.75	579.75	555.25	561.25	-18.75
18-Mar	593.00	593.25	569.75	578.00	-15.50
18-May	597.50	598.25	577.00	586.75	-12.00
18-Jul	599.00	600.00	577.00	590.75	-9.75

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