

Wheat Domestic Fundamentals:

India is likely to import between 3-4 million tonnes of wheat in 2017-18 despite good production this year due to cheaper availability in international market. As per market sources, India has imported around 1.4 lakh tonnes of Australian wheat in the month of June at Tuticorin port and around 2.8-3.0 lakh tonnes of wheat has already been contracted with Ukrainian suppliers. The major importers are south Indian mills as they find imported wheat cheaper compared to transporting it from North and central India.

As per latest update, India has exported 0.72 lakh tonnes of wheat in April-May 2017 compared to 1.09 lakh tonnes in April-May 2016. Whereas on the import front India has imported 2.18 lakh tonnes in April-May 2017 compared to 0.00 lakh tonnes in April-May 2016. Import is likely to be around 2-3 million tonnes in 2017-18 however, export will be lower due to higher domestic quotes compared to other major exporting countries.

All India weekly average prices increased by 1.45 percent to Rs. 1812.64 per quintal during the week ended 15th July 2017. Wheat average price were ruling at Rs 1786.77 per quintal during 01-08 July 2017. As compared to prices in the week 09th -15th July 2016, the prices are firm by 2.23 percent. Prices are expected to remain steady to firm in coming days.

As per latest update, wheat stock in central pool as on 1st July'17 stood at 32.27 MMT down by 3.48% compared to last month. This quantity is higher by around 20.94% 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:

As per latest update, china has sold 202977 tonnes of wheat for average price of 1986 yuan (\$293.56) per tonne at an auction of state reserves. The quantity sold represents around 14.26 percent of 1422665 tonnes of wheat available at auction.

As per Agritel, France is likely to harvest 36.6 million tonnes of soft wheat in 2017 up by 33 percent compared to last year. Yield is expected to be around 7.12 tonnes per hectare. Furthermore protein levels are likely to be more than 12 percent due to dry and hot weather in the end of growth cycle. As on 17th July farmers have harvested 66% of this year's soft wheat crop.

GASC has purchased 300000 tonnes of wheat through tender. Of the total quantity 120000 tonnes is of Russian origin, 120000 tonnes is of Romanian origin and 60000 tonnes is of French origin. Aston offered 60000 tonnes of Russian wheat at FoB \$203.45 per tonne, ADM offered 60000 tonnes of Romanian wheat at FoB \$204.60 per tonne, Ameropa offered 60000 tonnes of Romanian wheat at FoB \$206.08 per tonne, Solaris offered 60000 tonnes of Russian wheat at FoB \$204.94 per tonne, and Casillo offered 60000 tonnes of French wheat at FoB \$203 per tonne.

As on 14th July Russia has harvested 10.7 million tonnes of wheat compared to 14.2 million tonnes a year ago for the same date. Around 2.3 million hectares of area has been harvested with an average yield of 4.62 tonnes per hectare compared to 3.2 million hectares with an average yield of 4.42 tonnes per hectare a year ago for same date.

As per latest update, Japan's ministry of agriculture bought 93765 MMT of food quality wheat from United States and Australia. Around 62900 MMT with minimum protein content of 14 percent has been bought from United States to be loaded between August 21 - September 20 and 30865 MMT of standard white has been bought from west Australia to be loaded between September 1- September 30.

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

Wheat Futures Contract: NCDEX Price								Date:21.07.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Aug	+5	1671	1675	1670	1675	2410	+1,460	20520	-950
17-Sep	+5	1694	1699	1694	1699	1160	+870	1980	+810
17-Oct	+5	1718	1723	1723	1723	-	-	-	-

Spread	Aug-17	Sep-17	Oct-17	
Spot Narela				
17-Aug	-15			
17-Sep		24		
17-Oct			24	

Stocks	Demat	In- Process	Total	FED
	21.Jul.17	21.Jul.17	21.Jul.17	17.Jul.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15207	0	15207	15234
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 22.07.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Jul-17	21-Jul-17	
Delhi	Lawrence Road	Mill Delivery	1765	1765	Unch
	Narella	Mill Quality Loose	1690	1680	10
	Nazafgarh	Mill Quality Loose	1670	1655	15
Gujarat	Rajkot	Mill Delivery	Closed	1535	-
	Ahmedabad	Mill Delivery	1740	1740	Unch
	Surat	Mill Delivery	1780	1780	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1625	25
Rajasthan	Kota	Mill Quality Loose	1580	1580	Unch
		Mill Delivery	1680	1680	Unch
U.P.	Kanpur	Mill Delivery	1725	1725	Unch
	Mathura	Mill Quality Loose	1590	1590	Unch
	Kosi	Mill Quality Loose	1585	1575	10
	Hathras	Mill Quality Loose	1580	1580	Unch
	Aligarh	Mill Quality Loose	1600	1580	20
Punjab	Khanna	Mill Quality Loose	1650	1650	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1700	Unch
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1670	1670	Unch
	Karnal	Mill Delivery	1670	1670	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	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1550	1550	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Jul-17	21-Jul-17	
Gujarat	Rajkot	Lokwan	Closed	1750	-
M.P.	Indore	Lokwan	1975	1975	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	1700	1700	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Jul-17	21-Jul-17	
Delhi	Lawrence Road	Mill Delivery	7000	8000	-1000
	Narella	Mill Quality Loose	500	400	100
	Nazafgarh	Mill Quality Loose	150	500	-350
Gujarat	Rajkot	Mill Quality Loose	Closed	1400	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	1200	2000	-800
Rajasthan	Kota	Mill Quality	1500	2000	-500
U.P.	Kanpur	Mill Quality Loose	21200	19000	2200
	Mathura	Mill Quality Loose	600	1200	-600
	Kosi	Mill Quality Loose	500	900	-400
	Hathras	Mill Quality Loose	40	60	-20
	Aligarh	Mill Quality Loose	200	NA	-
Punjab	Khanna	Mill Quality Loose	600	700	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	100	-50
	Bhiwani	Mill Quality Loose	400	800	-400

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

Wheat Products Delhi	22-Jul-17	21-Jul-17	Change
Atta (50kg) Ordinary	980	980	Unch
Maida Grade 1 (50KG)	1315	1315	Unch
Suji (50kg)	1390	1390	Unch
Chokar (50 kg)	699	699	Unch
Chokar (34 kg)	499	499	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:21.07.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	506.50	510.25	497.50	499.25	-6.50
17-Dec	530.50	533.50	520.25	522.50	-6.75
18-Mar	550.50	553.75	540.75	543.00	-6.50
18-May	560.75	563.25	551.50	553.00	-7.00
18-Jul	566.00	568.25	556.00	558.00	-6.25
18-Sep	574.50	574.50	567.25	567.25	-5.50

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