

Wheat Domestic Fundamentals:

As per latest update, India has exported 41.15 thousand tonnes of wheat in the month of May'17 compared to 31.07 thousand tonnes in previous month. On import front India has imported 33 thousand tonnes of wheat in the month of May'17 compared to 185.17 thousand tonnes in the previous month. India is likely to import 3-4 million tonnes of wheat whereas exports are likely to be low as prices in India are ruling at higher side compared to other countries.

As per market sources around 2-2.5 lakh tonnes of wheat have been contracted from Ukraine by south Indian millers for August-September delivery at \$216-220 per tonne CiF whereas Australia is also ready to provide wheat for \$275-280 per tonne CiF. The only fear importers are facing is an increase in import duty or abrupt change in phytosanitary measures. Furthermore wheat stocks at Indian port silos have also decreased. Imports are likely to affect off take from central pool as south Indian millers will prefer imported wheat over domestic wheat due to lower prices.

FCI will sell a total quantity 1359440 tonnes of wheat in different states through e-auction on 27th July at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 684040 tonnes is offered in Punjab followed by 209000 tonnes in Maharashtra, 173000 tonnes in Haryana, 60000 tonnes in West Bengal, 50000 tonnes in M.P, 30000 tonnes in Odisha, 29500 tonnes in Gujarat, 22100 tonnes in Karnataka, 20000 tonnes in Rajasthan, 16500 tonnes in Tamil Nadu, 16000 tonnes in Delhi, 14300 tonnes in Kerala, 10000 tonnes in Assam, 6500 tonnes in Chandigarh, 6500 tonnes in J&K, 5600 tonnes in Uttarakhand, 5000 tonnes in Uttar Pradesh, 1500 tonnes in Goa, 1500 tonnes in Himachal Pradesh, 1000 tonnes in Jharkhand, 1000 tonnes in Pondicherry and 1000 tonnes in Andhra Pradesh.

As per IMD, India has received cumulative rainfall of 103% of the benchmark LPA. The northwest and central regions have received rainfall with 116% and 113% of the LPA respectively whereas the southern peninsula and east/north-east region have received rainfall with 91% and 90% of the LPA respectively. IMD has further forecasted that rainfall is likely to decrease between July 27 and August 02. The only regions suffering with deficient rains include Kerala, Parts of Karnataka and Tamil Nadu.

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:

Egypt saw a decline in local supply in the current season to 3.4 million tonnes compared to previous season's 5.2 million tonnes. Egypt has been buying intensively in the international market and GASC has booked around 1.25 million tonnes of wheat in July. As of now Egypt's strategic reserve stand at 4.6 million tonnes and are sufficient to last for six months.

Ukraine has exported 17.53 million tonnes of wheat against production of 26.8 million tonnes in 2016-17. In 2017-18 Ukraine is likely to produce around 24 million tonnes of wheat and has exported 0.51 million tonnes so far in 2017-18. As of now Ukrainian wheat with 11% protein content is being offered at \$188 per tonne.

GASC has purchased 420000 tonnes of wheat through tender. Of the total quantity 300000 tonnes is of Russian origin, 60000 tonnes is of Romanian origin and 60000 tonnes is of Ukrainian origin. ADM offered 60000 tonnes of Russian wheat at FoB \$202.35 per tonne, Cofco offered 60000 tonnes of Romanian wheat at FoB \$204.99 per tonne, Louis Dreyfus offered 60000 tonnes of Ukrainian wheat at FoB \$203.90 per tonne, GTCS offered 120000 tonnes of Russian wheat at FoB \$204.65 per tonne, Louis Dreyfus offered 60000 tonnes of Russian wheat at FoB \$204.65 per tonne and AOS offered 60000 tonnes of Russian wheat at FoB \$204.40 per tonne.

Algeria state grains agency OAIC has bought around 500000 tonnes of milling wheat in a tender that closed on Tuesday. The prices paid were in the range of \$214.0 - \$216.0 per tonne (Cost and Freight). The quantity to be shipped between 01st-31st October. 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 firm in the near term.

Wheat Futures Contract: NCDEX Price								Date:27.07.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Aug	-1	1675	1677	1673	1674	830	-1,760	16790	-500
17-Sep	-1	1699	1702	1697	1697	710	-160	4680	470
17-Oct	0	1721	1721	1721	1721	-	-	-	-

Spread	Aug-17	Sep-17	Oct-17	
Spot Narela				
17-Aug	-6			
17-Sep		23		
17-Oct			24	

Stocks	Demat	In- Process	Total	FED
	26.Jul.17	26.Jul.17	26.Jul.17	24.Jul.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15207	0	15207	15234
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 27.07.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Jul-17	26-Jul-17	
Delhi	Lawrence Road	Mill Delivery	1765	1760	5
	Narella	Mill Quality Loose	1680	Closed	-
	Nazafgarh	Mill Quality Loose	NR	Closed	-
Gujarat	Rajkot	Mill Delivery	1600	1590	10
	Ahmedabad	Mill Delivery	1750	1745	5
	Surat	Mill Delivery	1790	1780	10
	Dhrol	Mill Quality Loose	1660	1580	80
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1575	Closed	-
		Mill Delivery	1650	Closed	-
U.P.	Kanpur	Mill Delivery	1750	1735	15
	Mathura	Mill Quality Loose	1590	1590	Unch
	Kosi	Mill Quality Loose	1585	1585	Unch
	Hathras	Mill Quality Loose	1580	1570	10
	Aligarh	Mill Quality Loose	1600	Closed	-
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	1680	1660	20
	Karnal	Mill Delivery	1660	1670	-10
	Panipat	Mill Quality Loose	1625	NR	-
Tamil Nadu	Chennai	Mill Quality	1950	Closed	-
	Madurai	Mill Quality	2007	Closed	-
	Coimbatore	Mill Quality	2007	Closed	-
Bihar	Khagariya	Mill Delivery	1750	1750	Unch
	Muzaffarpur	Mill Delivery	1550	1550	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Jul-17	26-Jul-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	LokwanBilty	1800	Closed	-
	Baran	Lokwan	1725	1725	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Jul-17	26-Jul-17	
Delhi	Lawrence Road	Mill Delivery	12000	10000	2000
	Narella	Mill Quality Loose	700	Closed	-
	Nazafgarh	Mill Quality Loose	NR	Closed	-
Gujarat	Rajkot	Mill Quality Loose	700	1200	-500
	Dhrol	Mill Quality Loose	405	685	-280
M.P.	Indore	Mill Quality Loose	1500	1000	500
Rajasthan	Kota	Mill Quality	3000	Closed	-
U.P.	Kanpur	Mill Quality Loose	21500	21200	300
	Mathura	Mill Quality Loose	1000	600	400
	Kosi	Mill Quality Loose	800	800	Unch
	Hathras	Mill Quality Loose	150	450	-300
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	600	600	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	150	50
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	700	700	Unch

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

Wheat Products Delhi	27-Jul-17	26-Jul-17	Change
Atta (50kg) Ordinary	960	980	-20
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:26.07.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	476.00	481.00	473.00	477.75	3.75
17-Dec	501.00	505.75	498.50	502.75	3.75
18-Mar	522.50	528.00	521.00	524.00	2.00
18-May	534.00	539.00	533.00	535.75	2.25
18-Jul	541.50	545.75	540.00	543.00	2.00
18-Sep	553.00	556.25	551.00	554.00	1.50

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