

Wheat Domestic Fundamentals:

All India average monthly prices for wheat increased by 3.89 percent from Rs 1715.75 (in June) to Rs 1782.49 per qtl in July-2017. Average price (July) is lower by 0.03 percent compared to price (Rs 1782.99 per qtl.) registered in July-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 1309513 tonnes of wheat in different states through e-auction on 03rd August at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 624150 tonnes is offered in Punjab followed by 207000 tonnes in Maharashtra, 173000 tonnes in Haryana, 60000 tonnes in West Bengal, 55000 tonnes in Odhisa, 48950 tonnes in M.P, 21950 tonnes in Karnataka, 20000 tonnes in Rajasthan, 18000 tonnes in Tamil Nadu, 16000 tonnes in Delhi, 15300 tonnes in Kerala, 10000 tonnes in Assam, 7663 tonnes in Uttar Pradesh 7100 tonnes in Chandigarh, 6500 tonnes in Chhattisgarh, 6000 tonnes in J&k, 5400 tonnes in Uttarakhand, 1000 tonnes in Goa, 1500 tonnes in Himachal Pradesh, 1000 tonnes in Jharkhand, 2000 tonnes in Pondicherry and 2000 tonnes in Bihar.

As per IMD, since the beginning of south-west monsoon the rains have been well distributed all over India except few areas in the south. The cumulative rainfall until Sunday in the country has been around 102 percent of the LPA and it is expected to be 99% of LPA in August which has 29 percent share in the overall monsoon rains. Until 28th July around 75 percent of Kharif sowing is done and because of normal rainfall this year better crop can be expected under normal conditions.

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.

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 on 28th July Russia has harvested 31.7 million tonnes of wheat compared to 33.0 million tonnes a year ago for the same date. Around 7.2 million hectares of area has been harvested with an average yield of 4.44 tonnes per hectare compared to 8.1 million hectares with an average yield of 4.09 tonnes per hectare a year ago for same date.

As per latest update by USDA around 31% of spring wheat is in good or excellent condition compared to 68% a year ago. Further around 88% of winter wheat has been harvested compared to 84% a week ago.

China has sold 4074 tonnes of imported wheat for average price of 2523 yuan (\$375.66) per tonne at an auction of state reserves. The quantity sold represents around 2.94 percent of 138265 tonnes of wheat available at auction.

Wheat prices in Russia have shown upward movement in the last two weeks mainly due to increased demand from Egypt and delay in harvesting. Wheat with 12.5% protein content was offered for \$193-196 per tonne FoB at Novorossiysk port compared to \$192-194 a week ago for the same port.

Wheat area in Ukraine came to around 6.28 million hectares. Farmers have started harvesting wheat from 4.4 million hectare of land and as of now they have harvested around 17 million 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.

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

Wheat Futures Contract: NCDEX Price								Date:02.08.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Aug	-5	1647	1650	1640	1650	2470	-830	13680	-780
17-Sep	-7	1671	1672	1660	1672	2590	360	7940	1,400
17-Oct	0	1703	1703	1703	1703	-	-	-	-

Spread	Aug-17	Sep-17	Oct-17	
Spot Narela				
17-Aug	-20			
17-Sep		22		
17-Oct			31	

Stocks	Demat	In- Process	Total	FED
	01.Aug.17	01.Aug.17	01.Aug.17	31.Jul.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15207	0	15207	15207
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 2.08.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Aug-17	1-Aug-17	
Delhi	Lawrence Road	Mill Delivery	1770	1770	Unch
	Narella	Mill Quality Loose	Closed	1670	-
	Nazafgarh	Mill Quality Loose	Closed	1670	-
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1755	1755	Unch
	Surat	Mill Delivery	1790	1790	Unch
	Dhrol	Mill Quality Loose	1620	1610	10
M.P.	Indore	Mill Delivery	1650	1650	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1570	1570	Unch
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1735	1725	10
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1585	1585	Unch
	Hathras	Mill Quality Loose	NA	1560	-
	Aligarh	Mill Quality Loose	Closed	1600	-
Punjab	Khanna	Mill Quality Loose	Closed	1650	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1690	1690	Unch
	Hodal	Mill Delivery	1740	1740	Unch

	Bhiwani	Mill Quality Loose	1650	1680	-30
	Karnal	Mill Delivery	1655	1655	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	1950	1950	Unch
	Madurai	Mill Quality	2007	2007	Unch
	Coimbatore	Mill Quality	2007	2007	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1600	1600	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			2-Aug-17	1-Aug-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	Closed	2200	-2200
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	1720	1725	-5

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			2-Aug-17	1-Aug-17	
Delhi	Lawrence Road	Mill Delivery	8500	9000	-500
	Narella	Mill Quality Loose	Closed	400	-
	Nazafgarh	Mill Quality Loose	Closed	150	-
Gujarat	Rajkot	Mill Quality Loose	1000	900	100
	Dhrol	Mill Quality Loose	48	91	-43
M.P.	Indore	Mill Quality Loose	700	1000	-300
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	1500	1500	Unch
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	500	1000	-500
	Hathras	Mill Quality Loose	NA	85	-
	Aligarh	Mill Quality Loose	Closed	200	-
Punjab	Khanna	Mill Quality Loose	Closed	600	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	100	70	30
	Bhiwani	Mill Quality Loose	200	400	-200

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

Wheat Products Delhi	2-Aug-17	1-Aug-17	Change
Atta (50kg) Ordinary	960	960	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:01.08.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	469.00	478.00	460.50	461.25	-13.25
17-Dec	496.00	503.25	487.00	487.75	-12.00
18-Mar	517.50	523.75	508.75	509.50	-11.25
18-May	528.50	536.00	522.25	522.50	-10.25
18-Jul	537.00	543.50	530.00	531.00	-9.50
18-Sep	554.25	554.50	543.75	543.75	-8.75

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