

Wheat Domestic Fundamentals:

Government has offered 1104050 tonnes of wheat in OMSS for the month of June out of which only 115000 tonnes was sold. In the month of July only 32850 tonnes was sold against a total quantity of 3561562 tonnes offered in the first three tenders. Off take is low this year due to ample availability in the market.

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.

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 per latest update, Japan's ministry of agriculture bought 132925 MMT of food quality wheat from United States, Australia and Canada. Around 50080 MMT with minimum protein content of 14 percent has been bought from United States to be loaded between September 21 - October 20, 49665 MMT has been bought from Canada with minimum protein content of 13.5 percent to be loaded between September 21 - October 20 and 33180 MMT of standard white has been bought from west Australia to be loaded between October 1-October 31.

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.

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

Wheat Futures Contract: NCDEX Price								Date:03.08.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Aug	+2	1640	1649	1640	1648	1510	-960	13110	-570
17-Sep	+3	1663	1670	1663	1670	1820	-770	8980	1,040
17-Oct	0	1688	1688	1688	1688	-	-	-	-

Spread	Aug-17	Sep-17	Oct-17	
Spot Narela				
17-Aug	-22			
17-Sep		22		
17-Oct			18	

Stocks	Demat	In- Process	Total	FED
	02.Aug.17	02.Aug.17	02.Aug.17	31.Jul.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	15207	0	15207	15207
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 3.08.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Aug-17	2-Aug-17	
Delhi	Lawrence Road	Mill Delivery	1770	1770	Unch
	Narella	Mill Quality Loose	1670	Closed	-
	Nazafgarh	Mill Quality Loose	1675	Closed	-
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1750	1755	-5
	Surat	Mill Delivery	1790	1790	Unch
	Dhrol	Mill Quality Loose	1615	1620	-5
M.P.	Indore	Mill Delivery	1660	1650	10
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1575	1570	5
		Mill Delivery	1665	1650	15
U.P.	Kanpur	Mill Delivery	1735	1735	Unch
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1585	1585	Unch
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	1600	Closed	-
Punjab	Khanna	Mill Quality Loose	1650	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1700	1690	10
	Hodal	Mill Delivery	1760	1740	20

	Bhiwani	Mill Quality Loose	1650	1650	Unch
	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	1650	1700	-50
	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
			3-Aug-17	2-Aug-17	
Gujarat	Rajkot	Lokwan	1800	1800	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	1700	1720	-20

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-Aug-17	2-Aug-17	
Delhi	Lawrence Road	Mill Delivery	10000	8500	1500
	Narella	Mill Quality Loose	600	Closed	-
	Nazafgarh	Mill Quality Loose	350	Closed	-
Gujarat	Rajkot	Mill Quality Loose	800	1000	-200
	Dhrol	Mill Quality Loose	675	48	627
M.P.	Indore	Mill Quality Loose	700	700	Unch
Rajasthan	Kota	Mill Quality	3500	2500	1000
U.P.	Kanpur	Mill Quality Loose	1500	1500	Unch
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	800	500	300
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	500	Closed	-
Punjab	Khanna	Mill Quality Loose	600	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	200	200

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

Wheat Products Delhi	3-Aug-17	2-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:02.08.2017					
Contract Month	Open	High	Low	Close	Change
17-Sep	462.00	466.75	455.75	460.75	-0.50
17-Dec	488.00	493.00	483.00	487.75	Unch
18-Mar	510.25	514.75	505.00	509.25	-0.25
18-May	523.25	527.75	519.00	523.00	0.50
18-Jul	531.75	536.00	528.00	532.00	1.00
18-Sep	548.00	548.00	541.25	545.25	1.50

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