

Wheat Domestic Fundamentals:

As per latest update, FCI has sold around 83000 tonnes of wheat in the first week of January. For the year 2016-17, FCI has sold around 37.3 lakh tonnes of wheat until last week of December. Of this total quantity around 32 lakh tonnes has been purchased by millers and the remaining quantity by state governments. Government has increased its release in OMSS but it is still lower compared to last year.

All India weekly average prices decreased by 0.86 percent to Rs. 1997.45 per quintal during the week ended 08th January 2017. Wheat average price were ruling at Rs 2014.77 per quintal during 24-31st December 2016. As compared to prices in the week 01-08th January 2016, the prices are firm by 15.59 percent. Prices are expected to remain range bound to slightly weak in coming days.

As per latest update, area sown until 06 January'17 is 303.16 lakh hectares compared to 281.7 lakh hectares in the previous Rabi season. Among major states the area is down in Bihar, Chhattisgarh, Himachal Pradesh and Jammu & Kashmir, whereas Madhya Pradesh, Maharashtra, Punjab 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 may motivate farmers to sow more area.

Wheat WPI has increased slightly from 232.9 in October to 245 in November-2016. Monthly wheat inflation has increased by 5.19 percent in November-16 compared to October -16. As compared to November-15 wheat WPI has increased by around 10.71 percent.

Pressure on cash wheat market may continue as recent rains in major growing belts and decreasing temperature are considered to be favorable for standing crop and its better growth. Crop is in developmental stage and farmers are happy with short spell of rains. One –two spell of rains in Jan end and Feb would help in attaining better yield. Import flows continue and domestic demand remains restricted. All these developments would not allow wheat market to get firmer.

To ease supply side and check price in the open market, FCI has revised its grain stocks norms for third quarter beginning in the month of October and January while rules for July and April have remained unchanged. Under the revised norms FCI needs to maintain wheat stocks of 19.5 million tonne (MT) and 13.8 MT on October 1 and January 1, respectively. Now it needs to maintain 1MMT less wheat. As on December 1, FCI had a wheat stock of 16.49 MT, against the buffer stocks norm of 13.8 MT required to be maintained on January 1. This implies that the corporation would be left with virtually no excess wheat stocks starting next year as it requires around 2.5 MT of grain monthly for Public Distribution System.

Food corporation of India has been selling wheat at Rs 1640 per qtl. In ongoing MY, FCI has sold 3.6 MT of wheat under OMSS to bulk buyers so far. In MY 16, it had sold 7.1 MT of wheat through OMSS while in the 2014-15, it had sold more than 4.2 mt of grain to bulk purchasers.

At import front situation seems to be turning in favor of south Indian millers after revision of import duty to Zero. Wheat from Ukraine is arrived at Chennai and Tuticorin port at \$195.23 per tonne and \$199.93 per tonne respectively. In October India imported 5.41 lakh tonne wheat at an average CiF of \$221.97 per tonne. Import is likely to continue as prices in domestic market rules higher. As import duty is slashed, import volume may exceed 2MMT in current MY. It would impact south Indian millers demand from central and north India. Off-take from central pool would decrease.

International Market Update:

As per latest update, Russia has harvested around 73.3 MMT of wheat in 2016 up by 18.6 percent compared to 2015. The total quantity majorly included 51 MMT of milling wheat and 15.9 MMT of third grade milling wheat. Furthermore around 34.6 MMT of cereal crops were exported out of which 25.3 MMT was wheat.

Ukraine exported 1382.7KMT wheat in the month of Nov-2016. It is almost same the quantity exported in Nov-2015. In the first 5 months of season-2016-17 wheat export from Ukraine increased by 7.7% YoY to 9618.3 KMT. India too emerged as a major buyer for Ukraine wheat. During this period India imported 10 % of total exported volume from Ukraine. Other major buyers were Thailand, Indonesia and South Korea.

Importers in the Philippines purchased about 25,000 tonnes of Australian-origin feed wheat. The buyers had asked for quotations for milling wheat but bought feed wheat grades .Price was around \$196 a tonne&f for April 2017 arrival. Besides, Egypt brought 3.6 lakh tonne milling grade wheat from Russia, Romania and Argentina for mid Jan-2017 delivery. It has been brought at the average price of USD 198/ MT C&F.

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

Wheat Futures Contract: NCDEX Price								Date:10.01.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jan	36	1861	1907	1876	1897	960	340	2700	-770
17-Feb	13	1867	1882	1863	1880	1210	640	3360	310
17-Mar	16	1753	1774	1757	1769	100	-	660	-10

Spread	Jan-17	Feb-17	Mar-17	
Spot Narela				
17-Jan	12			
17-Feb		-17		
17-Mar			-111	

Stocks	Demat	In- Process	Total	FED
	09.Jan.17	09.Jan.17	09.Jan.17	09.Jan.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7190	0	7190	7190
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 10.01.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Jan-17	9-Jan-17	
Delhi	Lawrence Road	Mill Delivery	2030	2025	5
	Narella	Mill Quality Loose	1885	1890	-5
	Nazafgarh	Mill Quality Loose	1940	1925	15
Gujarat	Rajkot	Mill Delivery	1750	1750	Unch
	Ahmedabad	Mill Delivery	1870	1860	10
	Surat	Mill Delivery	1900	1900	Unch
	Dhrol	Mill Quality Loose	2010	1860	150
M.P.	Indore	Mill Delivery	1900	1900	Unch
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1850	1850	Unch
		Mill Delivery	1900	1900	Unch
U.P.	Kanpur	Mill Delivery	1950	NR	-
	Mathura	Mill Quality Loose	1900	1850	50
	Kosi	Mill Quality Loose	1925	1930	-5
	Hathras	Mill Quality Loose	1860	1865	-5
	Aligarh	Mill Quality Loose	1800	1800	Unch

Punjab	Khanna	Mill Quality Loose	1730	1750	-20
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1820	20
	Hodal	Mill Delivery	2000	2000	Unch
	Bhiwani	Mill Quality Loose	1915	1910	5
	Karnal	Mill Delivery	1850	1800	50
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
Bihar	Khagariya	Mill Delivery	2200	2150	50
	Muzaffarpur	Mill Delivery	1950	1950	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Jan-17	9-Jan-17	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2400	2400	Unch
Rajasthan	Kota	LokwanBilty	2000	2000	Unch
	Baran	Lokwan	1900	1875	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Jan-17	9-Jan-17	
Delhi	Lawrence Road	Mill Delivery	3000	2000	1000
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	1000	900	100
	Dhrol	Mill Quality Loose	14	7	7
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	3000	NR	-
	Mathura	Mill Quality Loose	150	60	90
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	526	400	126
	Aligarh	Mill Quality Loose	170	200	-30
Punjab	Khanna	Mill Quality Loose	300	500	-200

	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	40	30	10
	Bhiwani	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		10-Jan-17	9-Jan-17	Change
Atta (50kg) Ordinary		1090	1090	Unch
Maida Grade 1 (50KG)		1485	1485	Unch
Suji (50kg)		1510	1510	Unch
Chokar (50 kg)		859	859	Unch
Chokar (34 kg)		615	615	Unch
Chakki Atta (50kg)		1195	1195	Unch
Chakki Atta (50kg) Special		1195	1195	Unch
Chakki Atta (90kg) Superfine		1953	1953	Unch
Chakki Atta (50kg) Superfine		1055	1055	Unch

Wheat (CBOT) Future Price:09.01.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	424.75	428.25	421.00	427.25	4.00
17-May	436.25	441.00	432.75	440.00	5.25
17-Jul	449.25	454.50	445.75	454.00	5.75
17-Sep	461.00	467.25	458.25	466.75	6.25
17-Dec	476.00	482.50	473.50	482.00	6.00
18-Mar	487.00	493.00	485.75	493.00	5.75

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