

**Wheat Domestic Fundamentals:**

**As per latest update, India is expected to receive around 1MMT of wheat in January'17.** This will include delayed shipments from last year as well as shipments that were booked for this month only. This may lead to congestion at Indian ports. Around 700,000 tonnes is expected from Ukraine and the remaining from Australia for the month. Furthermore Indian crop has entered crucial stages and any further deals will depend on how the crop shapes up. As of now, not many new deals are being signed.

**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 12.8 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.

**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, U.S. farmers have lowered their winter wheat planting to 32.3 million acres** as supplies were at their 29 year high. This year has marked the lowest acreage in more than a century. Last year area planted was around 34.14 million acres. U.S. wheat stocks rose to 2.073 billion bushels on December 01st compared to 1.746 billion bushels last year for the same date.

**Major feedmill group of south Korea has purchased around 60000 tonnes of feed wheat** from Concordia at \$187.88/tonne cost and freight. Around \$1.5 per tonne will be charged for port unloading. The quantity is likely to be shipped between March17 and April 05.

**Algeria state grains agency OAIC has bought around 475000 tonnes of wheat in a tender.** The prices paid were in the range of \$198 to \$202 per tonne (Cost and Freight). The quantity to be shipped is due in March. The wheat is expected to be sourced from Argentina and other European Union states.

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

Wheat Futures Contract: NCDEX Price							Date:13.01.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Jan	49	1938	1938	1938	1938	10	-690	1900	-530
17-Feb	16	1930	1969	1926	1940	3540	950	3700	-190
17-Mar	11	1790	1810	1788	1790	400	180	770	20

Spread	Jan-17	Feb-17	Mar-17	
Spot Narela				
17-Jan	-22			
17-Feb		2		
17-Mar			-150	

Stocks	Demat	In- Process	Total	FED
	12.Jan.17	12.Jan.17	12.Jan.17	09.Jan.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7190	0	7190	7190
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 13.01.2017**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jan-17	12-Jan-17	
Delhi	Lawrence Road	Mill Delivery	2175	2150	25
	Narella	Mill Quality Loose	1960	1950	10
	Nazafgarh	Mill Quality Loose	2050	1990	60
Gujarat	Rajkot	Mill Delivery	1820	1810	10
	Ahmedabad	Mill Delivery	1890	1890	Unch
	Surat	Mill Delivery	1940	1920	20
	Dhrol	Mill Quality Loose	1980	2080	-100
M.P.	Indore	Mill Delivery	1900	1900	Unch
	Bhopal	Mill Quality Loose	1900	1900	Unch
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2000	1970	30
U.P.	Kanpur	Mill Delivery	1915	1935	-20
	Mathura	Mill Quality Loose	1950	1925	25
	Kosi	Mill Quality Loose	2000	1935	65
	Hathras	Mill Quality Loose	1880	1855	25
	Aligarh	Mill Quality Loose	1900	1900	Unch
Punjab	Khanna	Mill Quality Loose	1750	1750	Unch

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	1900	1865	35
	Hodal	Mill Delivery	2000	2000	Unch
	Bhiwani	Mill Quality Loose	2000	1900	100
	Karnal	Mill Delivery	NR	1850	-
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2300	2300	Unch
	Madurai	Mill Quality	2357	2357	Unch
	Coimbatore	Mill Quality	2357	2357	Unch
<b>Bihar</b>	Khagariya	Mill Delivery	2100	2150	-50
	Muzaffarpur	Mill Delivery	1950	1950	Unch
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jan-17	12-Jan-17	
<b>Gujarat</b>	Rajkot	Lokwan	2075	2050	25
<b>M.P.</b>	Indore	Lokwan	2300	2200	100
	Bhopal	Lokwan	2100	2100	Unch
	Bina	Sarbati 306	2400	2400	Unch
<b>Rajasthan</b>	Kota	LokwanBilty	2100	2000	100
	Baran	Lokwan	1950	1925	25

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jan-17	12-Jan-17	
<b>Delhi</b>	Lawrence Road	Mill Delivery	1500	1000	500
	Narella	Mill Quality Loose	300	300	Unch
	Nazafgarh	Mill Quality Loose	100	150	-50
<b>Gujarat</b>	Rajkot	Mill Quality Loose	700	1000	-300
	Dhrol	Mill Quality Loose	35	13	22
<b>M.P.</b>	Indore	Mill Quality Loose	3000	1000	2000
<b>Rajasthan</b>	Kota	Mill Quality	2500	2000	500
<b>U.P.</b>	Kanpur	Mill Quality Loose	3800	3500	300
	Mathura	Mill Quality Loose	250	200	50
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	482	300	182
	Aligarh	Mill Quality Loose	100	200	-100
<b>Punjab</b>	Khanna	Mill Quality Loose	500	500	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	60	30	30
	Bhiwani	Mill Quality Loose	300	150	150
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

<b>Wheat Products Delhi</b>		<b>13-Jan-17</b>	<b>12-Jan-17</b>	<b>Change</b>
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

<b>Wheat (CBOT) Future Price:12.01.2017</b>					
<b>Contract Month</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Change</b>
<b>17-Mar</b>	419.0	430.00	414.50	426.25	7.50
<b>17-May</b>	432.3	445.00	427.75	439.25	7.00
<b>17-Jul</b>	447.5	456.50	443.00	453.50	6.25
<b>17-Sep</b>	461.3	468.75	456.75	467.50	6.50
<b>17-Dec</b>	477.3	484.00	472.50	483.25	6.25
<b>18-Mar</b>	487.0	494.75	487.00	494.75	5.75

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