Wheat Daily Fundamental Report
24th, January- 2017

Wheat Domestic Fundamentals:

***As per latest update, area sown until 20 January'17 is 313.14 lakh hectares** compared to 291.97 lakh hectares in the previous Rabi season. The area is higher by around 7.25 percent compared to last year for the same date. Among major states the area is down in 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.*

***All India weekly average prices increased by 2.17 percent to Rs. 2060.35 per quintal** during the week ended 23rd January 2017. Wheat average price were ruling at Rs 2016.64 per quintal during 09-15th January 2017. As compared to prices in the week 16-23rd January 2016, the prices are firm by 18.19 percent. Prices are expected to remain range bound to slightly firm in coming days.*

***Wheat WPI has increased slightly from 245 in November to 251.7 in December-2016.** Monthly wheat inflation has increased by 2.73 percent in December-16 compared to November-16. As compared to December-15 wheat WPI has increased by around 12.82 percent.*

***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.*

***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:

***According to latest update by International Grains Council, the production forecast has been increased by 3 million tons for crop year 2016-17.** The production may touch 752 million tons against a forecast of 736 million tons for 2015-16. The difference is around 16 million tons. Higher projection for wheat may pressurize global wheat at current level and any major recovery from current level is unlikely.*

***As per latest update, a consortium of South Korean mills has bought around 100000 tonnes of U.S. and 87500 tonnes** of Australian wheat. The wheat from U.S. was bought in three consignments of 35000 tonnes, 35000 tonnes and 30500 tonnes whereas the wheat from Australia was bought in two consignments of 54500 tonnes and 33000 tonnes.*

***As per latest update, Australia is likely to produce around 33 MMT of wheat in 2016-17** surpassing its own record of 29.9 MMT set five years ago. Given the increase in production, Australia is expected to have around 53% more exportable volume compared to last year. Prices for the new crop are lower compared to last year, as Australian premium wheat with minimum 10.5% protein content was quoted around $199/mt FoB Kwinana compared to $212-213/mt last year and Australian standard white wheat with minimum 9% protein content was quoted around $186/mt FoB Kwinana which is around $5-10/mt less compared to black sea wheat with 11.5% protein content.*

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

Wheat Futures Contact: NCDEX Price									Date:23.01.2017
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Feb	-8	1863	1865	1851	1852	560	-1,520	4890	-10
17-Mar	-10	1751	1764	1751	1761	40	-50	1030	+30
17-Apr	0	1680	1680	1680	1680	10	0	200	0

Spread	Feb-17	Mar-17	Apr-17	
Spot Narela				
17-Feb	-98			
17-Mar		-91		
17-Apr			-81	

Stocks	Demat	In- Process	Total	FED
	21.Jan.17	21.Jan.17	21.Jan.17	16.Jan.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	7190	0	7190	7190
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 23.01.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jan-17	21-Jan-17	
Delhi	Lawrence Road	Mill Delivery	2050	2045	5
	Narella	Mill Quality Loose	1950	2000	-50
	Nazafgarh	Mill Quality Loose	2000	1950	50
Gujarat	Rajkot	Mill Delivery	1890	Closed	-
	Ahmedabad	Mill Delivery	2020	2020	Unch
	Surat	Mill Delivery	2050	2050	Unch
	Dhrol	Mill Quality Loose	2075	NR	-
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1875	1900	-25
Rajasthan	Kota	Mill Quality Loose	1825	1825	Unch
		Mill Delivery	1925	1925	Unch
U.P.	Kanpur	Mill Delivery	2000	NR	-
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	1935	1975	-40
	Hathras	Mill Quality Loose	1875	1885	-10
	Aligarh	Mill Quality Loose	1900	1950	-50
Punjab	Khanna	Mill Quality Loose	1840	1840	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1910	1900	10
	Hodal	Mill Delivery	2000	2000	Unch
	Bhiwani	Mill Quality Loose	1950	1970	-20
	Karnal	Mill Delivery	NR	NR	-
	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	2050	2100	-50
	Muzaffarpur	Mill Delivery	2000	Closed	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23-Jan-17	21-Jan-17	
Gujarat	Rajkot	Lokwan	2100	Closed	-
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2250	NR	-
Rajasthan	Kota	LokwanBilty	2000	2000	Unch
	Baran	Lokwan	1925	1900	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Jan-17	21-Jan-17	
Delhi	Lawrence Road	Mill Delivery	1500	1500	Unch
	Narella	Mill Quality Loose	300	150	150
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	1200	Closed	-
	Dhrol	Mill Quality Loose	3	NR	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	3500	NR	-
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	350	300	50
	Hathras	Mill Quality Loose	450	400	50
	Aligarh	Mill Quality Loose	60	70	-10
Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch

	Hodal	Mill Quality Loose	50	30	20
	Bhiwani	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	23-Jan-17	21-Jan-17	Change
Atta (50kg) Ordinary	1110	1105	5
Maida Grade 1 (50KG)	1505	1505	Unch
Suji (50kg)	1510	1510	Unch
Chokar (50 kg)	859	859	Unch
Chokar (34 kg)	615	615	Unch
Chakki Atta (50kg)	1210	1210	Unch
Chakki Atta (50kg) Special	1210	1210	Unch
Chakki Atta (90kg) Superfine	1968	1968	Unch
Chakki Atta (50kg) Superfine	1070	1070	Unch

Wheat (CBOT) Future Price:20.01.2017					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
17-Mar	423.50	428.75	421.50	428.25	4.75
17-May	439.00	443.50	437.00	443.25	4.00
17-Jul	454.75	459.00	452.75	458.50	3.25
17-Sep	468.75	473.50	468.50	473.25	2.50
17-Dec	488.75	492.50	487.00	492.00	2.25
18-Mar	502.00	504.75	500.75	504.75	2.25