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Wheat Daily Fundamental Report
31st, January- 2017

Wheat Domestic Fundamentals:

All India weekly average prices increased by 3.60 percent to Rs. 2134.53 per quintal *during the week ended 31st January 2017. Wheat average price were ruling at Rs 2060.35 per quintal during 16-23rd January 2017. As compared to prices in the week 24-31st January 2016, the prices are firm by 23.94 percent. Prices are expected to remain range bound to slightly weak in coming days.*

According to latest update, area sown until 27 January'17 is 315.55 lakh hectares *compared to 292.52 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.*

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:

Russian wheat prices increased continuously for the third week in January *and the quote for 12.5 percent Russian wheat increased by $1 per tonne to $186 per tonne compared to last week. The main reason for this is increased demand of Russian wheat in the international market. Russia has exported a total of 17.2 million tonnes of wheat between July 1 and Jan 25.*

GASC has purchased 410000 tonnes of Russian wheat *through tender after abolishing its zero-tolerance policy towards ergot. Louis Dreyfus offered 60000 tonnes at FOB $192.74/tonne, Aston offered 60000 tonnes at FOB of $194/tonne, Grainbow offered 60000 tonnes at FOB $192.25/tonne, ECTP offered 60000 tonnes at FOB $192.7/tonne, Alegrow offered 60000 tonnes at FOB $192.75/tonne and Glencore offered two cargoes of 55000 tonnes each at FOB $192/tonne.*

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.*

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

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Wheat Futures Contact: NCDEX Price									Date:30.01.2017
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Feb	+3	1875	1879	1862	1866	750	-590	5500	-30
17-Mar	-3	1765	1765	1765	1765	10	-330	1200	+10
17-Apr	-	-	-	-	-	-	-	-	-

Spread	Feb-17	Mar-17	Apr-17	
Spot Narela				
17-Feb	-134			
17-Mar		-101		
17-Apr			-	

Stocks	Demat	In- Process	Total	FED
	28.Jan.17	28.Jan.17	28.Jan.17	23.Jan.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4838	0	4838	6940
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 28.01.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30-Jan-17	28-Jan-17	
Delhi	Lawrence Road	Mill Delivery	2100	2110	-10
	Narella	Mill Quality Loose	2000	1960	40
	Nazafgarh	Mill Quality Loose	2000	2000	Unch
Gujarat	Rajkot	Mill Delivery	1810	1840	-30
	Ahmedabad	Mill Delivery	1950	1980	-30
	Surat	Mill Delivery	1980	2010	-30
	Dhrol	Mill Quality Loose	2270	2080	190
M.P.	Indore	Mill Delivery	1900	1900	Unch
	Bhopal	Mill Quality Loose	1825	1825	Unch
Rajasthan	Kota	Mill Quality Loose	1875	1870	5
		Mill Delivery	1955	1950	5
U.P.	Kanpur	Mill Delivery	1990	NR	-
	Mathura	Mill Quality Loose	1925	1925	Unch
	Kosi	Mill Quality Loose	1915	1900	15
	Hathras	Mill Quality Loose	1875	1850	25
	Aligarh	Mill Quality Loose	1900	1920	-20
Punjab	Khanna	Mill Quality Loose	1810	1850	-40
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1920	-20

	Hodal	Mill Delivery	2000	2000	Unch
	Bhiwani	Mill Quality Loose	1970	1960	10
	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	2100	2100	Unch
	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
			30-Jan-17	28-Jan-17	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2200	2250	-50
Rajasthan	Kota	LokwanBilty	2100	2100	Unch
	Baran	Lokwan	1900	1875	25

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			30-Jan-17	28-Jan-17	
Delhi	Lawrence Road	Mill Delivery	1500	1000	500
	Narella	Mill Quality Loose	200	100	100
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	900	1200	-300
	Dhrol	Mill Quality Loose	4	9	-5
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	1000	2000	-1000
U.P.	Kanpur	Mill Quality Loose	2500	NR	-
	Mathura	Mill Quality Loose	150	100	50
	Kosi	Mill Quality Loose	500	500	Unch
	Hathras	Mill Quality Loose	550	700	-150
	Aligarh	Mill Quality Loose	150	170	-20
Punjab	Khanna	Mill Quality Loose	300	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	50	Unch

	Bhiwani	Mill Quality Loose	200	150	50
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	30-Jan-17	28-Jan-17	Change
Atta (50kg) Ordinary	1085	1085	Unch
Maida Grade 1 (50KG)	1505	1505	Unch
Suji (50kg)	1510	1510	Unch
Chokar (50 kg)	874	874	Unch
Chokar (34 kg)	621	621	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:27.01.2017					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
17-Mar	426.50	427.50	419.25	420.50	**-6.50**
17-May	440.00	440.75	433.00	434.50	**-6.00**
17-Jul	454.25	455.00	447.50	449.25	**-5.75**
17-Sep	467.75	469.00	462.25	464.00	**-5.75**
17-Dec	485.50	486.25	479.75	481.75	**-5.00**
18-Mar	496.75	498.00	492.50	494.00	**-5.00**