Wheat Daily Fundamental Report
9th, February- 2017

Wheat Domestic Fundamentals:

As per latest update, FCI has sold around 88 Thousand tonnes of wheat in the first week of February. *In January FCI has sold around 3.41 lakh tonnes and 4.25 lakh tonnes in December. For the year 2016-17, FCI has sold around 41.34 lakh tonnes of wheat until first week of February. Of this total quantity around 35.25 lakh tonnes has been purchased by private trade and the remaining quantity by state governments.*

All India weekly average prices decreased by 8.11 percent to Rs. 1961.4 per quintal *during the week ended 08th February 2017. Wheat average price were ruling at Rs 2134.53 per quintal during 24-31 January 2017. As compared to prices in the week 01-08 February 2016, the prices are firm by 12.44 percent. Prices are expected to remain range bound to slightly weak in coming days.*

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.*

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.*

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, Ukraine has exported around 11.5 MMT of wheat *in first half of MY 2016-17 higher by around 1 MMT compared to last year for the same period. India remained the top buyer of Ukrainian wheat as it purchased around 1.8 MMT of wheat during the above period. However, Ukraine exported around 18% less wheat to world's largest importer i.e. Egypt in the first half of 2016/17.*

Bangladesh will import 200000 tonnes of Russian wheat at $245 a tonne CIF. *The first cargo of 55000 tonnes is likely to arrive around February 08th. Last year Bangladesh rejected three cargoes of Russian wheat totaling 150000 tonnes over quality concerns.*

As per latest update, USDA has kept production estimates for Australia, Russia and Argentina *at 33 MMT, 72.5 MMT and 15 MMT higher by 34.7%, 18.8% and 32.7% respectively compared to last year. Russia's winter grain was not damaged by recent cold spell and it has exported around 17.7 MMT between July 1'16- Feb 1'17. Furthermore, France has kept its area sown for winter soft wheat unchanged at 5.2 million hectares.*

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 weak in the near term.*

AGRIWATCH

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Wheat Futures Contact: NCDEX Price									Date:08.02.2017
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Feb	-4	1771	1769	1739	1767	550	-800	4070	+50
17-Mar	+9	1724	1730	1717	1724	510	-440	2670	+120
17-Apr	+11	1663	1679	1663	1679	80	+30	310	+20

Spread	Feb-17	Mar-17	Apr-17	
Spot Narela				
17-Feb	-233			
17-Mar		-43		
17-Apr			-45	

Stocks	Demat	In- Process	Total	FED
	7.Feb.17	7.Feb.17	7.Feb.17	6.Feb.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4367	0	4367	4719
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 8.02.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Feb-17	7-Feb-17	
Delhi	Lawrence Road	Mill Delivery	2035	2040	-5
	Narella	Mill Quality Loose	Closed	2000	-
	Nazafgarh	Mill Quality Loose	Closed	1970	-
Gujarat	Rajkot	Mill Delivery	1730	1740	-10
	Ahmedabad	Mill Delivery	1880	1860	20
	Surat	Mill Delivery	1910	1910	Unch
	Dhrol	Mill Quality Loose	2120	2100	20
M.P.	Indore	Mill Delivery	1800	1800	Unch
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	2015	NR	-
	Mathura	Mill Quality Loose	1925	1925	Unch
	Kosi	Mill Quality Loose	1900	1905	-5
	Hathras	Mill Quality Loose	1850	1850	Unch
	Aligarh	Mill Quality Loose	1890	1850	40
Punjab	Khanna	Mill Quality Loose	1900	1900	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1850	1850	Unch

	Hodal	Mill Delivery	2000	2000	Unch
	Bhiwani	Mill Quality Loose	1940	1920	20
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	NR	NR	-
	Madurai	Mill Quality	NR	NR	-
	Coimbatore	Mill Quality	NR	NR	-
Bihar	Khagariya	Mill Delivery	2050	2050	Unch
	Muzaffarpur	Mill Delivery	2000	1975	25
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Feb-17	7-Feb-17	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2150	2150	Unch
	Bhopal	Lokwan	1925	1925	Unch
	Bina	Sarbati 306	Closed	2150	-
Rajasthan	Kota	LokwanBilty	Closed	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Feb-17	7-Feb-17	
Delhi	Lawrence Road	Mill Delivery	1000	NA	-
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	1000	700	300
	Dhrol	Mill Quality Loose	22	19	3
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	2450	NR	-
	Mathura	Mill Quality Loose	50	60	-10
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	923	923	Unch
	Aligarh	Mill Quality Loose	150	100	50
Punjab	Khanna	Mill Quality Loose	200	200	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	50	Unch

	Bhiwani	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	8-Feb-17	7-Feb-17	Change
Atta (50kg) Ordinary	1085	1085	Unch
Maida Grade 1 (50KG)	1490	1490	Unch
Suji (50kg)	1515	1515	Unch
Chokar (50 kg)	894	894	Unch
Chokar (34 kg)	594	594	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:7.02.2017					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
17-Mar	422.50	431.00	419.75	430.75	**8.25**
17-May	435.00	442.75	432.75	442.50	**7.00**
17-Jul	448.75	455.25	445.75	455.25	**6.50**
17-Sep	463.25	469.00	460.50	468.75	**5.00**
17-Dec	480.25	485.50	478.00	485.25	**4.25**
18-Mar	492.50	496.25	489.50	496.25	**3.50**