

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, USDA has raised wheat exports by 50 million bushels to 1025 million bushels. Food use has been revised down by 3 million bushels to 960 million bushels. All this has led to reduction in ending stocks by 47 million bushels to 1139 million bushels. This fall in stocks and rise in exports is the main reason for the recent gain in U.S. wheat futures.

As per latest update, Japan's ministry of agriculture bought 111522 MMT of food quality wheat from United States, Australia and Canada. Around 65060 MMT has been bought from United States with minimum protein content of 14 percent to be loaded between March 21-April 20, 24347 MMT has been bought from Canada with minimum protein content of 13.5 percent to be loaded between April 21- May 20 and 22115 MMT from Australia to be loaded between April 1-April 30.

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.

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

Wheat Futures Contract: NCDEX Price								Date:10.02.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Feb	+36	1756	1798	1751	1798	2230	1,330	2550	-1,290
17-Mar	-4	1709	1728	1709	1725	600	290	2800	90
17-Apr	-12	1676	1676	1663	1668	170	150	470	150

Spread	Feb-17	Mar-17	Apr-17	
Spot Narela	1975			
17-Feb	-177			
17-Mar		-73		
17-Apr			-57	

Stocks	Demat	In- Process	Total	FED
	9.Feb.17	9.Feb.17	9.Feb.17	6.Feb.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	4026	0	4026	4719
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 10.02.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Feb-17	9-Feb-17	
Delhi	Lawrence Road	Mill Delivery	1975	2025	-50
	Narela	Mill Quality Loose	1975	NR	-
	Nazafgarh	Mill Quality Loose	1925	1950	-25
Gujarat	Rajkot	Mill Delivery	1740	1765	-25
	Ahmedabad	Mill Delivery	1870	1870	Unch
	Surat	Mill Delivery	1900	1900	Unch
	Dhrol	Mill Quality Loose	2095	NR	-
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	1975	2005	-30
	Mathura	Mill Quality Loose	1925	1925	Unch
	Kosi	Mill Quality Loose	1930	1920	10
	Hathras	Mill Quality Loose	1900	1900	Unch
	Aligarh	Mill Quality Loose	1825	1825	Unch
Punjab	Khanna	Mill Quality Loose	1920	1910	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1825	1850	-25

	Hodal	Mill Delivery	2000	2000	Unch
	Bhiwani	Mill Quality Loose	1920	1950	-30
	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	1950	2000	-50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10-Feb-17	9-Feb-17	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2100	2150	-50
	Bhopal	Lokwan	1900	1925	-25
	Bina	Sarbati 306	Closed	2200	-
Rajasthan	Kota	LokwanBilty	Closed	Closed	-
	Baran	Lokwan	Closed	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			10-Feb-17	9-Feb-17	
Delhi	Lawrence Road	Mill Delivery	1000	1500	-500
	Narella	Mill Quality Loose	300	NR	-
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	1200	900	300
	Dhrol	Mill Quality Loose	11	NR	-
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	2650	2500	150
	Mathura	Mill Quality Loose	50	50	Unch
	Kosi	Mill Quality Loose	300	200	100
	Hathras	Mill Quality Loose	200	200	Unch
	Aligarh	Mill Quality Loose	60	100	-40
Punjab	Khanna	Mill Quality Loose	200	400	-200
	(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	200	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	10-Feb-17	9-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:9.02.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	430.50	444.00	429.50	443.50	11.00
17-May	442.00	455.50	440.75	455.25	11.75
17-Jul	454.75	467.00	453.25	467.00	11.00
17-Sep	467.50	479.50	466.50	479.25	10.00
17-Dec	484.50	496.25	483.50	496.00	9.75
18-Mar	495.75	506.75	494.75	506.50	9.00

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