

**Wheat Domestic Fundamentals:**

**As per latest update, wheat stock in central pool as on 1st Feb'17 stood at 11.52 MMT** down by 16.16% compared to last month. This is the lowest quantity recorded in the last ten years. For the year 2016-17, FCI has sold around 43.31 lakh tonnes of wheat until third week of February. Of this total quantity around 36.80 lakh tonnes has been purchased by private trade and the remaining quantity by state governments. As per second advance estimate for 2016-17 wheat production is likely to be around 96.6 MMT and the procurement target has been fixed at 33 MMT higher by ten percent compared to last year

**Government has fixed wheat procurement target at 33MMT for 2017-18.** Of the total target around 11.5 MMT will be procured from Punjab, 8.5 MMT from Madhya Pradesh, 7.5 MMT from Haryana, 3MMT from Uttar Pradesh and 1.7 MMT from Rajasthan. Government target procurement for MY 2016-17 was 30.5 MMT against which it procured only 22.96 MMT. Wheat production target is kept at 96.5 MMT for 2016-17.

**All India weekly average prices increased by 0.65 percent to Rs. 1974.19 per quintal** during the week ended 15th February 2017. Wheat average price were ruling at Rs 1961.4 per quintal during 01-08th February 2017. As compared to prices in the week 09-15 February 2016, the prices are firm by 13.44 percent. Prices are expected to remain range bound to slightly weak in coming days.

**As per second advance estimate for 2016-17 wheat production is likely to be around 96.6 MMT** which is higher compared to fourth advance estimate of 93.5 MMT issued in 2015-16. This year overall acreage is higher by around 4.5% over normal acreage of 304.05 lakh hectares.

**Wheat WPI has decreased slightly from 251.7 in December'16 to 250.3 in January-2017.** Monthly wheat inflation has decreased by 0.55 percent in January-17 compared to December-16. As compared to January-16, wheat WPI has increased by around 9.49% and by 5.54% compared to January-2015.

**As per latest update, FCI has sold around 85 Thousand tonnes of wheat in the second week of February** compared to 88 thousand tonnes in the first week. 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 42.49 lakh tonnes of wheat until second week of February. Of this total quantity around 36.05 lakh tonnes has been purchased by private trade and the remaining quantity by state governments.

**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.

**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.

**International Market Update:**

**Philippines have bought around 54000 tonnes of Australian wheat** to be delivered in June and July. Australian standard wheat (ASW) was bought for \$205-210 per tonne including cost and freight. Australia with a record crop of around 35 MMT is providing wheat at competitive prices. Philippines monthly requirement is around 800000 tonnes and it is yet to cover half of its requirement for the month of May.

**GASC has purchased 360000 tonnes of Russian, Ukrainian and Romanian wheat** through tender after abolishing its zero-tolerance policy towards ergot. AOS offered 60000 tonnes Russian wheat at FOB \$195.0/tonne, Daewoo offered 60000 tonnes Russian wheat at FOB of \$196.0/tonne, Grainbow offered 60000 tonnes Russian wheat at FOB \$196.0/tonne, Louis Dreyfus offered 60000 tonnes Ukrainian wheat at FOB \$195.5/tonne, Nidera offered 60000 tonnes Romanian wheat at FOB \$197.5/tonne and Aston offered 60000 tonnes Russian wheat at FOB \$197/tonne.

**As per latest update, Ethiopia has bought 400000 tonnes of wheat** in three consignments of 133333 tonnes each. The first consignment was purchased by promising international at \$227.85 C&F scheduled for delivery in March, second consignment was purchased by ADM at \$227.5 C&F scheduled for delivery in April and third consignment was purchased by Phoenix at \$225.10 C&F scheduled for delivery in May.

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

Wheat Futures Contract: NCDEX Price								Date:21.02.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Mar	-30	1723	1723	1695	1698	2340	1,030	4240	630
17-Apr	-10	1644	1644	1633	1639	960	170	2500	220
17-May	-2	1647	1649	1644	1649	70	-10	110	0

Spread	Mar-17	Apr-17	May-17	
Spot Narela				
17-Mar	-162			
17-Apr		-59		
17-May			10	

Stocks	Demat	In- Process	Total	FED
	20.Feb.17	20.Feb.17	20.Feb.17	20.Feb.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3024	0	3024	3024
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 21.02.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Feb-17	20-Feb-17	
Delhi	Lawrence Road	Mill Delivery	1920	1900	20
	Narella	Mill Quality Loose	NR	1860	-
	Nazafgarh	Mill Quality Loose	1840	1825	15
Gujarat	Rajkot	Mill Delivery	1700	1725	-25
	Ahmedabad	Mill Delivery	1800	1840	-40
	Surat	Mill Delivery	1825	1850	-25
	Dhrol	Mill Quality Loose	2155	2185	-30
M.P.	Indore	Mill Delivery	1700	1700	Unch
	Bhopal	Mill Quality Loose	1800	1800	Unch
Rajasthan	Kota	Mill Quality Loose	1700	1725	-25
		Mill Delivery	1775	1850	-75
U.P.	Kanpur	Mill Delivery	NR	NR	-
	Mathura	Mill Quality Loose	1800	1825	-25
	Kosi	Mill Quality Loose	1800	1800	Unch
	Hathras	Mill Quality Loose	1825	1825	Unch
	Aligarh	Mill Quality Loose	1750	1750	Unch
Punjab	Khanna	Mill Quality Loose	1850	1850	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1760	1770	-10

	Hodal	Mill Delivery	2000	2000	Unch
	Bhiwani	Mill Quality Loose	1870	1850	20
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2200	2300	-100
	Madurai	Mill Quality	2257	2357	-100
	Coimbatore	Mill Quality	2257	2357	-100
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Feb-17	20-Feb-17	
Gujarat	Rajkot	Lokwan	1850	1900	-50
M.P.	Indore	Lokwan	2000	1950	50
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	LokwanBilty	1950	1950	Unch
	Baran	Lokwan	1850	1850	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Feb-17	20-Feb-17	
Delhi	Lawrence Road	Mill Delivery	1500	1500	Unch
	Narella	Mill Quality Loose	NR	150	-
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	1600	1200	400
	Dhrol	Mill Quality Loose	7	5	2
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	200	150	50
	Kosi	Mill Quality Loose	200	400	-200
	Hathras	Mill Quality Loose	150	150	Unch
	Aligarh	Mill Quality Loose	50	50	Unch
Punjab	Khanna	Mill Quality Loose	500	300	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	400	200	200
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	21-Feb-17	20-Feb-17	Change
Atta (50kg) Ordinary	1085	1085	Unch
Maida Grade 1 (50KG)	1440	1440	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:20.02.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	445.50	447.50	440.25	441.00	-6.75
17-May	458.75	460.75	455.00	455.50	-5.75
17-Jul	471.50	473.75	467.50	468.50	-5.25
17-Sep	487.75	488.50	482.50	484.00	-4.50
17-Dec	504.50	506.25	500.00	502.00	-4.25
18-Mar	512.75	517.75	512.75	514.25	-3.50

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