

Wheat Domestic Fundamentals:

Majority of the markets remained closed due to Maha shivratri.

All India weekly average prices increased by 5.98 percent to Rs. 2092.98 per quintal during the week ended 23rd February 2017. Wheat average price were ruling at Rs 1974.19 per quintal during 09-15th February 2017. As compared to prices in the week 16-23 February 2016, the prices are firm by 20.23 percent. Prices are expected to remain range bound to slightly weak in coming days.

Government may impose import duty on wheat in order to restrict the flow of imported wheat and provide favorable grounds for the upcoming wheat crop. In the current MY 2016-17, more than 3 MMT of wheat has already been imported. Government has already made it compulsory for wheat shipments to be fumigated in the exporter's country. India is expecting a good crop this year and government has set a procurement target of 33 MMT higher by 10% compared to last year.

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.

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.

International Market Update:

Argentinean government has announced that it has harvested a record 18.3 MMT of wheat for 2016-17 season, which is higher by 62 percent compared to last year. The crops loss in some of the areas in Argentina due to bad weather was compensated by increase in output other wheat producing areas.

Around 93 percent of French wheat is in good or excellent condition as of February 20th, which is slightly higher compared to last week. Last year, France harvested one of its worst wheat crops on account of heavy rainfall in late May to mid June as well as low sunshine during the crop's growth period.

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.

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

Wheat Futures Contract: NCDEX Price								Date:23.02.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Mar	-5	1704	1709	1688	1693	1140	-730	4550	+60
17-Apr	-5	1635	1647	1635	1642	120	-510	2540	-80
17-May	+9	1660	1665	1660	1665	30	+10	130	+20

Spread	Mar-17	Apr-17	May-17	
Spot Narela				
17-Mar	-207			
17-Apr		-51		
17-May			23	

Stocks	Demat	In- Process	Total	FED
	22.Feb.17	22.Feb.17	22.Feb.17	20.Feb.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	3024	0	3024	3024
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 24.02.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Feb-17	23-Feb-17	
Delhi	Lawrence Road	Mill Delivery	Closed	1920	-
	Narela	Mill Quality Loose	Closed	1900	-
	Nazafgarh	Mill Quality Loose	Closed	1825	-
Gujarat	Rajkot	Mill Delivery	Closed	1650	-
	Ahmedabad	Mill Delivery	Closed	1790	-
	Surat	Mill Delivery	Closed	1800	-
	Dhrol	Mill Quality Loose	NR	2110	-
M.P.	Indore	Mill Delivery	Closed	1700	-
	Bhopal	Mill Quality Loose	Closed	1700	-
Rajasthan	Kota	Mill Quality Loose	Closed	1700	-
		Mill Delivery	Closed	1800	-
U.P.	Kanpur	Mill Delivery	1925	1950	-25
	Mathura	Mill Quality Loose	1740	1800	-60
	Kosi	Mill Quality Loose	1725	1720	5
	Hathras	Mill Quality Loose	NR	1850	-
	Aligarh	Mill Quality Loose	1700	1750	-50
Punjab	Khanna	Mill Quality Loose	Closed	1850	-
	Ludhiana (Jagraon)	Mill Delivery	Closed	NA	-
Haryana	Sirsa	Mill Delivery loose	Closed	1730	-
	Hodal	Mill Delivery	1900	2000	-100

	Bhiwani	Mill Quality Loose	1830	1850	-20
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	NR	2200	-
	Madurai	Mill Quality	NR	2257	-
	Coimbatore	Mill Quality	NR	2257	-
Bihar	Khagariya	Mill Delivery	1850	1850	Unch
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Feb-17	23-Feb-17	
Gujarat	Rajkot	Lokwan	Closed	1850	-
M.P.	Indore	Lokwan	Closed	2000	-
	Bhopal	Lokwan	Closed	1850	-
	Bina	Sarbati 306	Closed	2200	-
Rajasthan	Kota	LokwanBilty	Closed	1950	-
	Baran	Lokwan	1825	1825	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Feb-17	23-Feb-17	
Delhi	Lawrence Road	Mill Delivery	Closed	1000	-
	Narella	Mill Quality Loose	Closed	150	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	Closed	2000	-
	Dhrol	Mill Quality Loose	NR	9	-
M.P.	Indore	Mill Quality Loose	Closed	1200	-
Rajasthan	Kota	Mill Quality	Closed	2500	-
U.P.	Kanpur	Mill Quality Loose	1500	6500	-5000
	Mathura	Mill Quality Loose	150	60	90
	Kosi	Mill Quality Loose	200	400	-200
	Hathras	Mill Quality Loose	NR	20	-
	Aligarh	Mill Quality Loose	100	50	50
Punjab	Khanna	Mill Quality Loose	Closed	300	-
	(Ludhiana)Jagraon	Mill Quality Loose	Closed	NA	-
Haryana	Sirsa	Mill Quality Loose	Closed	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	24-Feb-17	23-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:23.02.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	441.25	444.25	436.25	438.00	-3.25
17-May	456.50	459.00	452.00	453.50	-2.50
17-Jul	469.75	472.75	465.50	467.00	-2.75
17-Sep	484.75	487.50	480.50	482.00	-2.50
17-Dec	502.00	504.00	498.00	499.75	-2.25
18-Mar	515.00	515.50	511.00	512.25	-2.25

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