

Wheat Domestic Fundamentals:

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:

According to latest update by International Grains Council, the production forecast has been kept unchanged at 752 MMT for crop year 2016-17. The production may touch 752 million tons against a forecast of 737 million tons for 2015-16. The difference is around 15 million tons. Higher projection for wheat may pressurize global wheat at current level and any major recovery from current level is unlikely although good export volume from countries like U.S., Ukraine and Australia are lending support to prices. Carryout has been revised up by 1 MMT to 236 MMT for 2016-17 and compared to 2015-16 it is higher by 14 MMT.

As per latest update by USDA, United States is likely to harvest the smallest crop in last 11 years as only 46 million acres of wheat has been planted down by around 8% compared to last year. production is likely to be around 1.837 billion bushels. The area reduced in wheat is covered by soybean as farmers are likely to plant record 88 million hectares higher by 2% compared to last year.

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.

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	-177			
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 25.02.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Feb-17	24-Feb-17	
Delhi	Lawrence Road	Mill Delivery	1915	Closed	-
	Narela	Mill Quality Loose	1870	Closed	-
	Nazafgarh	Mill Quality Loose	1825	Closed	-
Gujarat	Rajkot	Mill Delivery	1500	Closed	-
	Ahmedabad	Mill Delivery	1650	Closed	-
	Surat	Mill Delivery	1650	Closed	-
	Dhrol	Mill Quality Loose	1910	NR	-
M.P.	Indore	Mill Delivery	1600	Closed	-
	Bhopal	Mill Quality Loose	1650	Closed	-
Rajasthan	Kota	Mill Quality Loose	NR	Closed	-
		Mill Delivery	NR	Closed	-
U.P.	Kanpur	Mill Delivery	NR	1925	-
	Mathura	Mill Quality Loose	1725	1740	-15
	Kosi	Mill Quality Loose	1725	1725	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	1700	1700	Unch
Punjab	Khanna	Mill Quality Loose	1850	Closed	-
	Ludhiana (Jagraon)	Mill Delivery	NA	Closed	-
Haryana	Sirsa	Mill Delivery loose	1735	Closed	-
	Hodal	Mill Delivery	1900	1900	Unch

	Bhiwani	Mill Quality Loose	1850	1830	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	1800	1850	-50
	Muzaffarpur	Mill Delivery	1800	1800	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Feb-17	24-Feb-17	
Gujarat	Rajkot	Lokwan	1700	Closed	-
M.P.	Indore	Lokwan	1900	Closed	-
	Bhopal	Lokwan	1800	Closed	-
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	Lokwan Bilty	NR	Closed	-
	Baran	Lokwan	Closed	1825	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Feb-17	24-Feb-17	
Delhi	Lawrence Road	Mill Delivery	1000	Closed	-
	Narella	Mill Quality Loose	200	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	2500	Closed	-
	Dhrol	Mill Quality Loose	46	NR	-
M.P.	Indore	Mill Quality Loose	1000	Closed	-
Rajasthan	Kota	Mill Quality	NR	Closed	-
U.P.	Kanpur	Mill Quality Loose	NR	1500	-
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	100	100	Unch
Punjab	Khanna	Mill Quality Loose	300	Closed	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	Closed	-
Haryana	Sirsa	Mill Quality Loose	100	Closed	-
	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	25-Feb-17	24-Feb-17	Change
Atta (50kg) Ordinary	1085	1085	Unch
Maida Grade 1 (50KG)	1440	1440	Unch
Suji (50kg)	1515	1515	Unch
Chokar (50 kg)	779	894	-115
Chokar (34 kg)	531	594	-63
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: 24.02.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	438.25	438.50	430.00	431.25	-6.75
17-May	453.50	454.00	445.75	448.00	-5.50
17-Jul	467.00	467.50	460.25	462.00	-5.00
17-Sep	481.75	481.75	474.75	477.00	-5.00
17-Dec	500.25	500.25	493.25	495.50	-4.25
18-Mar	511.25	511.50	506.00	508.25	-4.00

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