

### **Wheat Domestic Fundamentals:**

**Recent light rains and cooling temperature in day in major wheat growing belts** are considered to be beneficial to the standing wheat crop, especially for Eastern UP and Bihar where wheat crop is passing through grain filling stages. If light rains occur in mid March once again, it would keep day temperature down and it would boost normal yield. However, if rains occur with hailstorm, it may affect crop at harvesting stages and at grain filling stages. It would be a price driving factor in coming weeks. As of now everything seems normal.

**All India average monthly prices for wheat decreased by 3.62 percent** from Rs 2014.55 (in January) to Rs 1941.56 per qtl in February-2017. Better crop prospects for have weakened inner tone in the market. Average price (February) is higher by 11.13 percent compared to price (Rs 1747.16 per qtl.) registered in February -2016. Higher import volume would restrict demand from south Indian millers. Government may impose import duty of 25 percent to restrict flow of imports.

**As per latest update, India is likely to import 25% import duty** in order to restrict imports and provide favorable grounds for the upcoming crop. In the current MY 2016-17, more than 4 MMT of wheat has already been imported. Government has 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:**

**As per latest update, USDA has estimated a production of 1.837 billion bushels** for 2017 down by around 20 percent from last year. The area planted for wheat has decreased to 46 million acres down by around 8 percent compared to last year. Furthermore yield in 2017 is likely to be same as yield in 2013, which would be slightly above five year average at 47.1 bushels per acre.

**GASC has purchased 535000 tonnes of wheat** through tender after abolishing its zero-tolerance policy towards ergot. Of the total quantity 235000 tonnes is of Russian origin, 60000 tonnes is of Ukrainian origin, 120000 tonnes is of Romanian origin and 120000 tonnes is of French origin. Cerealcon bought Romanian wheat at FoB \$197.89 per tonne, AOS bought Russian wheat at FoB \$197.80 per tonne, Daewoo bought Russian wheat at FoB \$198.85 per tonne and Ukrainian wheat at \$199.5 per tonne respectively, Alegrow bought Russian wheat at FoB \$198.7 per tonne, Lecureur bought French wheat at FoB \$199 per tonne, Cargill bought Romanian and French wheat at FoB \$200.5 per tonne and FoB \$197 per tonne respectively, Glencore bought Romanian wheat at FoB \$198.75 per tonne.

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

Wheat Futures Contract: NCDEX Price								Date:03.03.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Mar	+8	1630	1658	1630	1643	970	-1,010	3400	-440
17-Apr	+6	1649	1663	1649	1653	1300	320	3600	370
17-May	+9	1667	1677	1664	1667	580	370	2160	280

Spread	Mar-17	Apr-17	May-17	
Spot Narela				
17-Mar	-157			
17-Apr		10		
17-May			14	

Stocks	Demat	In- Process	Total	FED
	2.Mar.17	2.Mar.17	2.Mar.17	27.Feb.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	2335	0	2335	2516
Rajkot	-	-	-	-

## Wheat Daily Prices and Arrivals on 04.03.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Mar-17	3-Mar-17	
Delhi	Lawrence Road	Mill Delivery	1825	1830	-5
	Narela	Mill Quality Loose	1800	1800	Unch
	Nazafgarh	Mill Quality Loose	1750	1800	-50
Gujarat	Rajkot	Mill Delivery	1540	1525	15
	Ahmedabad	Mill Delivery	1680	1700	-20
	Surat	Mill Delivery	1700	1725	-25
	Dhrol	Mill Quality Loose	1730	1860	-130
M.P.	Indore	Mill Delivery	1625	1625	Unch
	Bhopal	Mill Quality Loose	1640	1640	Unch
Rajasthan	Kota	Mill Quality Loose	1625	1575	50
		Mill Delivery	1725	1650	75
U.P.	Kanpur	Mill Delivery	1875	1915	-40
	Mathura	Mill Quality Loose	1725	1715	10
	Kosi	Mill Quality Loose	1710	1700	10
	Hathras	Mill Quality Loose	1810	1825	-15
	Aligarh	Mill Quality Loose	1700	1700	Unch
Punjab	Khanna	Mill Quality Loose	1750	1820	-70
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1715	1715	Unch

	Hodal	Mill Delivery	NR	NR	-
	Bhiwani	Mill Quality Loose	1850	1825	25
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2150	2150	Unch
	Madurai	Mill Quality	2207	2207	Unch
	Coimbatore	Mill Quality	2207	2207	Unch
Bihar	Khagariya	Mill Delivery	1750	1750	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
			4-Mar-17	3-Mar-17	
Gujarat	Rajkot	Lokwan	1700	1700	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1750	1750	Unch
	Bina	Sarbati 306	2200	2200	Unch
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	1800	1800	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			4-Mar-17	3-Mar-17	
Delhi	Lawrence Road	Mill Delivery	1200	1200	Unch
	Narella	Mill Quality Loose	150	150	Unch
	Nazafgarh	Mill Quality Loose	150	100	50
Gujarat	Rajkot	Mill Quality Loose	3000	3000	Unch
	Dhrol	Mill Quality Loose	32	17	15
M.P.	Indore	Mill Quality Loose	2000	4000	-2000
Rajasthan	Kota	Mill Quality	3000	2000	1000
U.P.	Kanpur	Mill Quality Loose	3000	2650	350
	Mathura	Mill Quality Loose	60	100	-40
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	50	60	-10
	Aligarh	Mill Quality Loose	100	100	Unch
Punjab	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	NR	NR	-

	Bhiwani	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	4-Mar-17	3-Mar-17	Change
Atta (50kg) Ordinary	1060	1060	Unch
Maida Grade 1 (50KG)	1415	1415	Unch
Suji (50kg)	1515	1515	Unch
Chokar (50 kg)	779	779	Unch
Chokar (34 kg)	531	531	Unch
Chakki Atta (50kg)	1185	1185	Unch
Chakki Atta (50kg) Special	1185	1185	Unch
Chakki Atta (90kg) Superfine	1943	1943	Unch
Chakki Atta (50kg) Superfine	1045	1045	Unch

Wheat (CBOT) Future Price: 3.03.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	430.25	434.25	429.00	433.75	1.75
17-May	451.50	455.50	448.00	453.50	0.75
17-Jul	466.00	470.25	462.75	468.25	1.25
17-Sep	480.25	484.00	477.25	482.25	1.00
17-Dec	498.00	501.25	495.25	500.00	0.25
18-Mar	511.00	513.25	508.75	512.50	-0.25

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