

Wheat Domestic Fundamentals:

Last tender for the Rabi marketing year 2016-17 will be released tomorrow as procurement is likely to start in Madhya Pradesh, Gujarat and Rajasthan from 15th March. As per market sources, in MY 2016-17 around 44.91 lakh tonnes of wheat until first week of March.

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 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.

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.

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, Egypt will pay 555-575 Egyptian pounds (\$31.36 to \$32.49) per ardeb (150 Kg) to local farmers. The procurement season has also been extended to run from April 15 to July 15 and Egypt is likely to buy 4.5 million tonnes from local farmers. In 2016, Egypt paid 420 Egyptian pounds per ardeb.

As per latest update, ABARES has increased its export forecast to 22.8 MMT which is around four lakh tonnes higher compared to last estimate released in December. Sowing in Australia will start from next month and ABARES has forecasted that sowing is likely to fall by 1.1% to 12.92 million hectares. Furthermore yields are also expected to return to trend levels after reaching exceptional level in 2016-17.

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.

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

Wheat Futures Contract: NCDEX Price								Date:09.03.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Mar	-13	1656	1668	1655	1656	300	+240	2400	-200
17-Apr	-8	1646	1653	1640	1647	870	+510	4000	+20
17-May	-7	1667	1670	1660	1660	190	+130	2610	+20

Spread	Mar-17	Apr-17	May-17	
Spot Narela				
17-Mar	-144			
17-Apr		-9		
17-May			13	

Stocks	Demat	In- Process	Total	FED
	8.Mar.17	8.Mar.17	8.Mar.17	6.Mar.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	2335	0	2335	2334
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 09.03.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Mar-17	8-Mar-17	
Delhi	Lawrence Road	Mill Delivery	2000	1950	50
	Narella	Mill Quality Loose	1800	Closed	-
	Nazafgarh	Mill Quality Loose	1825	Closed	-
Gujarat	Rajkot	Mill Delivery	1555	1565	-10
	Ahmedabad	Mill Delivery	1690	1690	Unch
	Surat	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	1760	1760	Unch
M.P.	Indore	Mill Delivery	1625	1650	-25
	Bhopal	Mill Quality Loose	1600	1600	Unch
Rajasthan	Kota	Mill Quality Loose	1650	1650	Unch
		Mill Delivery	1730	1730	Unch
U.P.	Kanpur	Mill Delivery	1885	1895	-10
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	1790	1790	Unch
	Hathras	Mill Quality Loose	1750	1775	-25
	Aligarh	Mill Quality Loose	1710	Closed	-
Punjab	Khanna	Mill Quality Loose	1620	1630	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1740	10

	Hodal	Mill Delivery	1850	1850	Unch
	Bhiwani	Mill Quality Loose	1800	1750	50
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2100	2100	Unch
	Madurai	Mill Quality	2157	2157	Unch
	Coimbatore	Mill Quality	2157	2157	Unch
Bihar	Khagariya	Mill Delivery	1750	1800	-50
	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
			9-Mar-17	8-Mar-17	
Gujarat	Rajkot	Lokwan	1700	1750	-50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1750	1750	Unch
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	1800	1750	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Mar-17	8-Mar-17	
Delhi	Lawrence Road	Mill Delivery	1500	1200	300
	Narella	Mill Quality Loose	150	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	4000	4500	-500
	Dhrol	Mill Quality Loose	42	33	9
M.P.	Indore	Mill Quality Loose	3000	2000	1000
Rajasthan	Kota	Mill Quality	4000	3000	1000
U.P.	Kanpur	Mill Quality Loose	3000	2800	200
	Mathura	Mill Quality Loose	Closed	Closed	-
	Kosi	Mill Quality Loose	401	400	1
	Hathras	Mill Quality Loose	500	NA	-
	Aligarh	Mill Quality Loose	150	Closed	-
Punjab	Khanna	Mill Quality Loose	800	800	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	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	9-Mar-17	8-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:8.03.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	431.50	431.50	426.00	427.50	-8.50
17-May	457.00	457.50	445.25	447.00	-9.50
17-Jul	471.75	472.00	461.00	462.75	-8.75
17-Sep	484.00	485.50	476.00	477.75	-8.50
17-Dec	502.75	503.00	494.00	495.50	-8.75
18-Mar	514.75	514.75	508.00	508.75	-9.00

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