

Wheat Domestic Fundamentals:

All India weekly average prices increased by 1.48 percent to Rs. 1979.74 per quintal during the week ended 08th March 2017. Wheat average price were ruling at Rs 1950.91 per quintal during 24-28 February 2017. As compared to prices in the week 01-08 March 2016, the prices are firm by 17.80 percent. Prices are expected to remain range bound to slightly weak in coming days.

Government agencies have started procurement in Madhya Pradesh, Rajasthan and Gujarat since 15th March'17. On first day of procurement, government agencies procured around 6570 tonnes of wheat at MSP. Of this quantity 6435 tonnes was procured from Madhya Pradesh and 135 tonnes from Gujarat. No quantity was procured from Rajasthan as arrivals are very low. Procurement in other states like Punjab, Haryana and Uttar Pradesh will start from 01st April'17. In Rabi marketing season 2017-18 government has set procurement target of 33 MMT.

As per latest update, wheat stock in central pool as on 1st March'17 stood at 9.429 MMT down by 18.19% compared to last month. This is the lowest quantity recorded in the last ten years. In the month of February around 3.40 lakh tonnes of wheat was sold. For the year 2016-17, government has sold around 44.91 lakh tonnes of wheat until first week of March. 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.

Wheat WPI has decreased from 250.3 in January to 247.7 in February-2017. Monthly wheat inflation has decreased by 1.04 percent in February-17 compared to January-17. As compared to February-16, wheat WPI has increased by around 8.36% and by 14.36% compared to February -2015.

As per market sources, Government has sold around 75800 tonnes of wheat in the second week of March compared to 74000 tonnes in the first week of March. In the month of February around 3.40 lakh tonnes of wheat was sold. For the year 2016-17, government has sold 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.

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:

GASC has purchased 420000 tonnes of wheat through tender after abolishing its zero-tolerance policy towards ergot. Of the total quantity 300000 tonnes is of Russian origin, 60000 tonnes is of Ukrainian origin and 60000 tonnes is of French origin. Louis Dreyfus offered 60000 tonnes Ukrainian wheat at FOB \$195/tonne, Olam offered 60000 tonnes Russian wheat at FOB of \$195.9/tonne, Louis Dreyfus offered 60000 tonnes Russian wheat at FOB \$197/tonne, AOS offered 60000 tonnes Russian wheat at FOB \$197.65/tonne, Aston offered 60000 tonnes Russian wheat at FOB \$197.65/tonne, Daewoo offered 60000 tonnes Russian wheat at FOB \$197.7/tonne and Casillo offered 60000 tonnes French wheat at FOB \$195.84/tonne.

As per latest update, Japan's ministry of agriculture bought 146455 MMT of food quality wheat from United States and Canada. Around 83898 MMT has been bought from United States with protein content of 14 percent to be loaded between April 21-May 20 and 62557 MMT of western red spring wheat has been bought from Canada with minimum protein content of 13.5 percent to be loaded between May 21- June 20.

Saudi Arabia's main state wheat buying agency the Saudi Grains Organization (SAGO) has purchased 735000 tonnes of hard wheat. The wheat can be sourced from European Union, North America, South America and Australia. The quantity will be shipped in 12 consignments with 8 to be shipped at port of Jeddah and rest at port of Dammam. Of the total quantity 60000 tonnes from Louis Dreyfus, 180000 tonnes from Posco Daewoo, 180000 tonnes from casillo, 60000 tonnes from Lansing, 65000 tonnes from Cargill and 190000 tonnes from ADM Hellas.

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

Wheat Futures Contract: NCDEX Price							Date:20.03.2017		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Mar	+1	1647	1647	1640	1642	650	+430	4290	+200
17-Apr	-2	1655	1665	1655	1660	110	+30	2820	+60
17-May	-	-	-	-	-	-	-	-	-

Spread	Apr-17	May-17	Jun-17	
Spot Narela				
17-Apr	-158			
17-May		18		
17-Jun			-	

Stocks	Demat	In- Process	Total	FED
	18.Mar.17	18.Mar.17	18.Mar.17	13.Mar.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1718	0	1718	2037
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 20.03.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20-Mar-17	18-Mar-17	
Delhi	Lawrence Road	Mill Delivery	1900	1900	Unch
	Narella	Mill Quality Loose	NR	1800	-
	Nazafgarh	Mill Quality Loose	1800	1815	-15
Gujarat	Rajkot	Mill Delivery	1545	1550	-5
	Ahmedabad	Mill Delivery	1700	1715	-15
	Surat	Mill Delivery	1730	1740	-10
	Dhrol	Mill Quality Loose	1875	1895	-20
M.P.	Indore	Mill Delivery	1550	1600	-50
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1560	1575	-15
		Mill Delivery	1640	1650	-10
U.P.	Kanpur	Mill Delivery	NR	NR	-
	Mathura	Mill Quality Loose	1775	1800	-25
	Kosi	Mill Quality Loose	1775	1775	Unch
	Hathras	Mill Quality Loose	1750	1675	75
	Aligarh	Mill Quality Loose	1700	1700	Unch
Punjab	Khanna	Mill Quality Loose	1630	1620	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1745	1750	-5
	Hodal	Mill Delivery	1845	1845	Unch
	Bhiwani	Mill Quality Loose	1800	1800	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2000	2000	Unch
	Madurai	Mill Quality	2057	2057	Unch
	Coimbatore	Mill Quality	2057	2057	Unch
Bihar	Khagariya	Mill Delivery	1700	1700	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
			20-Mar-17	18-Mar-17	
Gujarat	Rajkot	Lokwan	1750	1750	Unch
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1750	-50
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	LokwanBilty	1700	1750	-50
	Baran	Lokwan	1775	1775	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			20-Mar-17	18-Mar-17	
Delhi	Lawrence Road	Mill Delivery	1900	1800	100
	Narella	Mill Quality Loose	NR	200	-
	Nazafgarh	Mill Quality Loose	100	100	Unch
Gujarat	Rajkot	Mill Quality Loose	14000	9000	5000
	Dhrol	Mill Quality Loose	131	73	58
M.P.	Indore	Mill Quality Loose	1000	2000	-1000
Rajasthan	Kota	Mill Quality	10000	10000	Unch
U.P.	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	60	60	Unch
	Kosi	Mill Quality Loose	350	350	Unch
	Hathras	Mill Quality Loose	150	50	100
	Aligarh	Mill Quality Loose	250	300	-50
Punjab	Khanna	Mill Quality Loose	500	700	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch

	Hodal	Mill Quality Loose	150	50	100
	Bhiwani	Mill Quality Loose	150	200	-50
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	20-Mar-17	18-Mar-17	Change
Atta (50kg) Ordinary	1035	1035	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:17.03.2017					
Contract Month	Open	High	Low	Close	Change
17-Mar	434.75	437.75	433.00	436.25	0.25
17-May	449.50	452.75	448.00	451.50	0.50
17-Jul	464.25	467.25	462.75	466.75	1.25
17-Sep	483.50	485.75	481.00	485.50	1.75
17-Dec	499.25	500.00	495.75	499.75	1.50
18-Mar	505.00	506.50	505.00	506.00	0.75

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