

### Wheat Domestic Fundamentals:

**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.** Currently Australian and Ukrainian FoB are coming around \$178/tonne and \$188/tonne. In the current MY 2016-17, more than 4.5 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.

**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.

**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:

**Ukrainian farmers have sown spring grains on 359100 hectares** of land compared to 671000 hectares last year. Of the total grains, spring wheat is 7600 hectares. Furthermore of the total winter wheat planted in Ukraine around 5981500 or 97.8% has emerged and about 83 percent of winter wheat is in good or satisfactory condition.

**As per latest update, china has sold 474320 tonnes of wheat** for average price of 2507 yuan (\$363.08) per tonne at an auction of state reserves on Tuesday. The quantity sold represents around 18.07 percent of 2625031 tonnes of wheat available at auction.

**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.

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

Wheat Futures Contract: NCDEX Price								Date:22.03.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Apr	+16	1646	1667	1646	1662	2000	+1,540	4330	+130
17-May	+20	1665	1688	1675	1685	950	+500	3450	+390
17-June	+18	1684	1714	1701	1702	130	+30	540	+100

Spread	Apr-17	May-17	Jun-17	
Spot Narela				
17-Apr	-138			
17-May		23		
17-Jun			17	

Stocks	Demat	In- Process	Total	FED
	21.Mar.17	21.Mar.17	21.Mar.17	20.Mar.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1519	0	1519	1519
Rajkot	-	-	-	-

### Wheat Daily Prices and Arrivals on 22.03.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Mar-17	21-Mar-17	
Delhi	Lawrence Road	Mill Delivery	1910	1920	-10
	Narela	Mill Quality Loose	Closed	1835	-
	Nazafgarh	Mill Quality Loose	Closed	1775	-
Gujarat	Rajkot	Mill Delivery	1540	1540	Unch
	Ahmedabad	Mill Delivery	1710	1710	Unch
	Surat	Mill Delivery	1740	1725	15
	Dhrol	Mill Quality Loose	1920	1840	80
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1625	1610	15
Rajasthan	Kota	Mill Quality Loose	1560	1560	Unch
		Mill Delivery	1640	1640	Unch
U.P.	Kanpur	Mill Delivery	1815	1800	15
	Mathura	Mill Quality Loose	1735	1750	-15
	Kosi	Mill Quality Loose	1750	1725	25
	Hathras	Mill Quality Loose	1705	1725	-20
	Aligarh	Mill Quality Loose	Closed	1710	-
Punjab	Khanna	Mill Quality Loose	1650	1640	10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1750	Unch

	Hodal	Mill Delivery	1845	1845	Unch
	Bhiwani	Mill Quality Loose	1780	1780	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	NA	1800	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22-Mar-17	21-Mar-17	
Gujarat	Rajkot	Lokwan	1760	1750	10
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1800	1750	50
	Bina	Sarbati 306	Closed	2200	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1750	1750	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			22-Mar-17	21-Mar-17	
Delhi	Lawrence Road	Mill Delivery	3000	2000	1000
	Narella	Mill Quality Loose	Closed	100	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	12000	9000	3000
	Dhrol	Mill Quality Loose	122	54	68
M.P.	Indore	Mill Quality Loose	2000	2500	-500
Rajasthan	Kota	Mill Quality	10000	10000	Unch
U.P.	Kanpur	Mill Quality Loose	3000	2200	800
	Mathura	Mill Quality Loose	60	50	10
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	30	50	-20
	Aligarh	Mill Quality Loose	Closed	200	-
Punjab	Khanna	Mill Quality Loose	500	800	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	300	300	Unch

	Bhiwani	Mill Quality Loose	200	200	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	22-Mar-17	21-Mar-17	Change
Atta (50kg) Ordinary	1010	1035	-25
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)	1160	1185	-25
Chakki Atta (50kg) Special	1160	1185	-25
Chakki Atta (90kg) Superfine	1918	1943	-25
Chakki Atta (50kg) Superfine	1020	1045	-25

Wheat (CBOT) Future Price:21.03.2017					
Contract Month	Open	High	Low	Close	Change
17-May	430.50	430.50	423.00	426.50	-3.75
17-Jul	445.50	445.50	438.50	442.25	-3.25
17-Sep	460.75	460.75	454.50	458.25	-2.50
17-Dec	479.00	479.50	474.00	477.50	-2.00
18-Mar	493.00	493.50	489.00	492.00	-1.75
18-May	497.50	500.25	495.50	499.00	-1.50

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