

**Wheat Domestic Fundamentals:**

**As per market sources wheat stock in central pool as on 16th March'17 is 8.57 MMT**, which is lowest in last ten years. Due to lower production in the last two years government has to increase its release in OMSS to keep the prices under control which led to lower stocks. Last marketing season government was able to procure only 22.9 MMT. As good crop is expected this year, Government has kept a target of 33 MMT in current marketing season.

**Government agencies have started procurement in Madhya Pradesh, Rajasthan and Gujarat since 15th March'17.** Until 23rd March'17 government has procured around 2.35 lakh tonnes against arrival of around 3.08 lakh tonnes compared to 2.13 lakh tonnes against arrival of 3.17 lakh tonnes in last marketing season. 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.

**All India weekly average prices increased by 5.53 percent** to Rs. 2002.83 per quintal during the week ended 23rd March 2017. Wheat average price were ruling at Rs 1897.91 per quintal during 09-15 March 2017. As compared to prices in the week 16-23 March 2016, the prices are firm by 15.62 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.** 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.

**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:**

**Russian milling wheat prices are facing pressure** from higher inventories and good condition of winter wheat that is to be harvested in coming months. Export price for Russian milling wheat with 12.5% protein decreased by \$1 per tonne to FoB \$191-193 per tonne Novorossiysk port for April Delivery.

**As per latest update, Japan's ministry of agriculture bought 117689 MMT of food quality wheat** from United States, Australia and Canada. Around 57100 MMT has been bought from United States with minimum protein content of 14 percent to be loaded between April 21-May 20, 35729 MMT has been bought from Canada with minimum protein content of 13.5 percent to be loaded between May 1- May 31 and 24860 MMT from west Australia to be loaded between May 21-June 20.

**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.

**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.

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

Wheat Futures Contract: NCDEX Price								Date:27.03.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Apr	-7	1658	1674	1640	1653	2230	+660	5280	-420
17-May	-9	1689	1707	1675	1679	570	+380	3700	+80
17-June	-1	1715	1715	1715	1715	20	-280	620	+20

Spread	Apr-17	May-17	Jun-17	
Spot Narela				
17-Apr	-222			
17-May		26		
17-Jun			36	

Stocks	Demat	In- Process	Total	FED
	25.Mar.17	25.Mar.17	25.Mar.17	20.Mar.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1371	0	1371	1519
Rajkot	-	-	-	-

### Wheat Daily Prices and Arrivals on 27.03.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Mar-17	25-Mar-17	
Delhi	Lawrence Road	Mill Delivery	1900	1950	-50
	Narela	Mill Quality Loose	1875	1820	55
	Nazafgarh	Mill Quality Loose	1760	1810	-50
Gujarat	Rajkot	Mill Delivery	Closed	1540	-
	Ahmedabad	Mill Delivery	1700	1710	-10
	Surat	Mill Delivery	1730	1730	Unch
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1625	1600	25
Rajasthan	Kota	Mill Quality Loose	1545	1550	-5
		Mill Delivery	1655	1650	5
U.P.	Kanpur	Mill Delivery	NR	1765	-
	Mathura	Mill Quality Loose	1665	1700	-35
	Kosi	Mill Quality Loose	1650	1720	-70
	Hathras	Mill Quality Loose	1705	1710	-5
	Aligarh	Mill Quality Loose	Closed	1700	-
Punjab	Khanna	Mill Quality Loose	1625	1650	-25
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1750	1750	Unch

	Hodal	Mill Delivery	1800	1800	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	Closed	1800	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Mar-17	25-Mar-17	
Gujarat	Rajkot	Lokwan	Closed	1700	-
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1725	1700	25
	Bina	Sarbati 306	Closed	2250	-
Rajasthan	Kota	LokwanBilty	1700	1700	Unch
	Baran	Lokwan	1725	1725	Unch

### Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Mar-17	25-Mar-17	
Delhi	Lawrence Road	Mill Delivery	2000	3500	-1500
	Narella	Mill Quality Loose	200	200	Unch
	Nazafgarh	Mill Quality Loose	250	50	200
Gujarat	Rajkot	Mill Quality Loose	Closed	2000	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	3000	3000	Unch
Rajasthan	Kota	Mill Quality	50000	20000	30000
U.P.	Kanpur	Mill Quality Loose	NR	2850	-
	Mathura	Mill Quality Loose	4000	2500	1500
	Kosi	Mill Quality Loose	2000	1400	600
	Hathras	Mill Quality Loose	400	NA	-
	Aligarh	Mill Quality Loose	Closed	50	-
Punjab	Khanna	Mill Quality Loose	800	500	300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	500	1000	-500

	Bhiwani	Mill Quality Loose	150	150	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	27-Mar-17	25-Mar-17	Change
Atta (50kg) Ordinary	1010	1010	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)	1160	1160	Unch
Chakki Atta (50kg) Special	1160	1160	Unch
Chakki Atta (90kg) Superfine	1918	1918	Unch
Chakki Atta (50kg) Superfine	1020	1020	Unch

Wheat (CBOT) Future Price:24.03.2017					
Contract Month	Open	High	Low	Close	Change
17-May	421.50	426.25	420.75	424.75	3.75
17-Jul	435.75	440.75	435.75	439.50	3.50
17-Sep	450.75	456.00	450.75	454.50	3.50
17-Dec	470.50	475.00	470.50	473.75	3.00
18-Mar	486.50	488.75	486.25	488.25	3.00
18-May	495.75	495.75	495.50	495.75	2.75

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