

Wheat Domestic Fundamentals:

Government agencies have started procurement since 15th March'17. Until 05th April'17 government has procured more than 12 lakh tonnes of wheat. Of the total quantity procured, around 11.52 lakh tonnes has been procured from Madhya Pradesh, 48000 tonnes from Haryana, 7000 tonnes from Rajasthan and 1000 tonnes from Gujarat. In Rabi marketing season 2017-18 government has set procurement target of 33 MMT.

All India average monthly prices for wheat decreased by 0.92 percent from Rs 1924.87 (in February) to Rs 1907.24 per qtl in March-2017. Better crop prospects for have weakened inner tone in the market. Average price (March) is higher by 10.62 percent compared to price (Rs 1724.19 per qtl.) registered in March -2016. Higher import volume would restrict demand from south Indian millers. Government has imposed import duty of 10 percent to restrict flow of imports.

All India weekly average prices increased by 6.08 percent to Rs. 1881.04 per quintal during the week ended 31st March 2017. Wheat average price were ruling at Rs 2002.83 per quintal during 16-23 March 2017. As compared to prices in the week 24-31 March 2016, the prices are firm by 9.15 percent. Prices are expected to remain range bound to slightly weak in coming days.

Wheat procurement in Haryana will start from 01st April'17. Government has kept a target of 75 Lakh metric tonnes for Rabi marketing season 2017-18 for Haryana compared to actual procurement of 67.52 lakh metric tonnes in marketing season 2016-17. All India procurement target is 33 MMT higher by 10% compared to last year.

Government has imposed 10 percent import duty on wheat in order to restrict imports and provide favorable grounds for domestic crops. In the current MY 2016-17, more than 4.5 MMT of wheat has already been imported. 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. Currently Australian and Ukrainian FoB are coming around \$180/tonne and \$188/tonne.

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.

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.

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 wheat prices fell last week due to weak demand from Egypt and Turkey and strengthening of rouble against dollar. Export price for Russian wheat with 12.5% protein decreased by \$2 per tonne to FoB \$187 per tonne. Russia has exported 21.69 MMT of wheat between 01st July'16 and 29th March'17.

As per latest update, Japan's ministry of agriculture bought 120507 MMT of food quality wheat from United States, Australia and Canada. Around 65536 MMT has been bought from United States with minimum protein content of 14 percent to be loaded between May 21-June 20, 29511 MMT has been bought from Canada with minimum protein content of 13.5 percent to be loaded between June 21- July 20 and 25460 MMT from west Australia to be loaded between June 1-June 20.

Major feedmill group of south korea has purchased around 125000 tonnes of feed wheat in two consignments that can be sourced from optional origins. The first consignment consist of 60000 tonnes purchased at \$189.25 per tonne C&F to be delivered between July 15 to August 05 and second consignment of 65000 tonnes at \$187.9 per tonne C&F be delivered between August 01-31.

Jordan has bought 50000 tonnes of hard milling wheat at \$202 cost and freight for delivery in second half of September. The tender closed on Wednesday and wheat can be sourced from optional origin. Recently Jordan has purchased 50000 tonnes on March 22, 50000 tonnes on March 7 and 100000 tonnes on February 21.

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

Wheat Futures Contract: NCDEX Price								Date:06.04.2017	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
17-Apr	-30	1657	1657	1632	1632	3510	+2,780	3510	-1,610
17-May	-14	1682	1682	1671	1671	2950	+740	7480	+1,020
17-June	-3	1702	1706	1702	1703	1400	+1,270	1840	+1,190

Spread	Apr-17	May-17	Jun-17	
Spot Narela				
17-Apr	-38			
17-May		39		
17-Jun			32	

Stocks	Demat	In- Process	Total	FED
	5-Apr.17	5-Apr.17	5-Apr.17	3-Apr.17
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1803	351	2154	1773
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 6.04.2017

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Apr-17	5-Apr-17	
Delhi	Lawrence Road	Mill Delivery	1760	1770	-10
	Narella	Mill Quality Loose	1670	Closed	-
	Nazafgarh	Mill Quality Loose	1650	Closed	-
Gujarat	Rajkot	Mill Delivery	1540	1540	Unch
	Ahmedabad	Mill Delivery	1700	1700	Unch
	Surat	Mill Delivery	1730	1730	Unch
	Dhrol	Mill Quality Loose	1895	NR	-
M.P.	Indore	Mill Delivery	1600	1600	Unch
	Bhopal	Mill Quality Loose	1625	1625	Unch
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1700	1700	Unch
	Mathura	Mill Quality Loose	1570	1535	35
	Kosi	Mill Quality Loose	1535	1555	-20
	Hathras	Mill Quality Loose	1625	1625	Unch
	Aligarh	Mill Quality Loose	1550	1650	-100
Punjab	Khanna	Mill Quality Loose	1680	1680	Unch
	Ludhiana (Jagraon)	Mill Delivery	1800	1800	Unch
Haryana	Sirsa	Mill Delivery loose	1625	1625	Unch

	Hodal	Mill Delivery	1740	1740	Unch
	Bhiwani	Mill Quality Loose	1625	1625	Unch
	Karnal	Mill Delivery	1725	1750	-25
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	2000	2000	Unch
	Madurai	Mill Quality	2057	2057	Unch
	Coimbatore	Mill Quality	2057	2057	Unch
Bihar	Khagariya	Mill Delivery	1620	1600	20
	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
			6-Apr-17	5-Apr-17	
Gujarat	Rajkot	Lokwan	1750	1700	50
M.P.	Indore	Lokwan	1900	1900	Unch
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	1800	Closed	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Apr-17	5-Apr-17	
Delhi	Lawrence Road	Mill Delivery	8000	10000	-2000
	Narella	Mill Quality Loose	3000	Closed	-
	Nazafgarh	Mill Quality Loose	3000	Closed	-
Gujarat	Rajkot	Mill Quality Loose	20000	18000	2000
	Dhrol	Mill Quality Loose	498	NR	-
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	100000	100000	Unch
U.P.	Kanpur	Mill Quality Loose	NA	3500	-
	Mathura	Mill Quality Loose	20000	20000	Unch
	Kosi	Mill Quality Loose	20000	20000	Unch
	Hathras	Mill Quality Loose	NA	200	-
	Aligarh	Mill Quality Loose	6000	300	5700
Punjab	Khanna	Mill Quality Loose	600	900	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	100	-
Haryana	Sirsa	Mill Quality Loose	1000	500	500
	Hodal	Mill Quality Loose	100000	100000	Unch

	Bhiwani	Mill Quality Loose	4000	4000	Unch
	Karnal	Mill Delivery	1200	1200	Unch
	Panipat	Mill Quality Loose	2410	345	2065

Wheat Products Delhi	6-Apr-17	5-Apr-17	Change
Atta (50kg) Ordinary	1010	1010	Unch
Maida Grade 1 (50KG)	1415	1415	Unch
Suji (50kg)	1490	1490	Unch
Chokar (50 kg)	809	809	Unch
Chokar (34 kg)	519	519	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: 5.04.2017					
Contract Month	Open	High	Low	Close	Change
17-May	427.25	430.50	425.00	429.75	2.75
17-Jul	440.25	443.25	438.75	442.50	2.50
17-Sep	455.00	458.00	454.00	456.75	2.25
17-Dec	475.25	478.50	475.25	477.00	2.00
18-Mar	494.00	494.75	491.75	493.75	2.75
18-May	504.75	506.50	502.00	504.75	3.25

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