

Wheat Domestic Fundamentals:

All India average monthly prices for wheat increased by 0.84 percent from Rs 1750.23 (in January -2018) to Rs 1764.95 per qtl in February-2018. Average price (February) is lower by 6.73 percent compared to price (Rs 1892.22 per qtl.) registered in February-2017. Government has increased MSP of wheat by Rs 110 per quintal to Rs 1735 per quintal. State government of Madhya Pradesh have decided give bonus of Rs 200 per quintal over MSP and other state governments might follow their suit. Prices are likely to stay steady to firm in upcoming weeks.

As per second advance estimate, India is likely to produce 97.11 MMT of wheat compared to 98.51 MMT in previous year. The total food grain production is expected at record 277.49 MMT compared to 275.11 MMT last year. This year overall acreage is lower by around 4.27% compared to last years' acreage of 317.88 lakh hectares.

FCI will offer a total quantity 93310 tonnes of wheat in different states through e-auction on 01st March at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 376500 tonnes in Maharashtra followed by 260200 tonnes in Punjab, 195000 tonnes in Haryana, 45800 tonnes in Madhya Pradesh, 18600 tonnes in Karnataka, 17000 tonnes in Kerala, 10000 tonnes in Chandigarh, 8000 tonnes in J&K and 2000 tonnes in Bihar.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed steady tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2100-2110 per quintal, ASW at Rs 2010-2025 per quintal and Ukrainian wheat at Rs 1835-1850 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

As per latest update, India has imported around 242.12 thousand tonnes of wheat in November'17, lower compared to October'17. India has imported a total of 1394.09 thousand tonnes of wheat since April'17 until November'17. Imports are likely to fall in upcoming months as government has increased import duty from 10 percent to 20 percent. India has imported 5957.79 thousand tonnes of wheat in 2016-17 due to two consecutive bad crops.

The demand for Indian wheat in the international market is low. Export window remains restricted due to huge disparity. Other countries like Australia, Russia and Ukraine are able to provide wheat at lower quotes compared to India. In the month of November, India exported 14.53 thousand tonnes of wheat compared to 36.87 in the previous month. India has exported 179.69 thousand tonnes of wheat since April'17 until November'17.

As per latest update, wheat stock in central pool as on 1st February'18 stood at 175.47 lakh tonnes down by 10.31% compared to last month. This quantity is higher by around 52.25% compared to last year for the same month. For the month of January'18 off take from central pool was around 20.15 lakh tonnes compared to 22.22 lakh tonnes for January'17 and 34.53 lakh tonnes for January'16. FCI is currently selling wheat through E-Auction at a reserve price of Rs. 1790 per quintal.

As per Agriwatch preliminary estimate production is likely to be around 91.4 MMT compared to 93.5 MMT last year. Production is likely to fall due to lower acreage this year. As per fourth advance estimate for 2016-17 wheat production is likely to be around 98.8 MMT which is higher compared to third advance estimate of 97.4 MMT.

International Market Update:

As per latest update, China has lifted embargo on import of wheat from Russia's Amur and Chelyabinsk region. In 2016, China lifted embargo from Russia's Novosibirsk, Novosibirsk, Krasnoyarsk and Altai regions. China bought 0.4 percent (17966 tonnes) of its total wheat from Russia in 2017.

Russian milling wheat prices have become firm by \$3-5 per tonne compared to last week. Strengthening ruble, higher domestic prices and strong export demand especially to Egypt has strengthened price. Russia has produced around 85-86 MMT of wheat this year compared to 72 MMT last year. As of now Russian milling wheat with 12.5% protein content at Novorossiysk port is being quoted at FoB \$202-205/tonne whereas milling wheat with 12.5% protein content at Odessa is being quoted at FoB \$201-203/tonne.

Russian agriculture consultancy, SovEcon has estimated Russia is likely to export 3.2 MMT and 2.7 MMT of wheat in the month of February'18 and January'18. Russia has exported around 21.32 MMT of wheat in July-December'17. Russia was able to capture export share of Australia in international market. Russia produced record crop of wheat and was able to sell at more competitive prices compared to Australia.

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

Wheat Futures Contract: NCDEX Price							Date: 01.03.2018 at 5:00 PM		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
18-Mar	19	1765	1779	1760	1779	470	260	7020	-170
18-Apr	0	1750	1750	1750	1750	10	0	410	0
18-May	0	1727	1727	1727	1727	0	0	0	0

Spread	Mar-18	Apr-18	May-18	
Spot Narela				
18-Mar	79			
18-Apr		-29		
18-May			-23	

Stocks	Demat	In- Process	Total	FED
	28.Jan.18	28.Jan.18	28.Jan.18	19.Jan.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 01.03.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Mar-18	28-Feb-18	
Delhi	Lawrence Road	Mill Delivery	1780	1770	10
	Narella	Mill Quality Loose	1700	Closed	-
	Nazafgarh	Mill Quality Loose	1690	Closed	-
Gujarat	Rajkot	Mill Delivery	1550	1550	Unch
	Ahmedabad	Mill Delivery	1780	1780	Unch
	Surat	Mill Delivery	1830	1830	Unch
	Dhrol	Mill Quality Loose	NR	1575	-
M.P.	Indore	Mill Delivery	1750	1750	Unch
	Bhopal	Mill Quality Loose	1710	1710	Unch
Rajasthan	Kota	Mill Quality Loose	Closed	1640	-
		Mill Delivery	Closed	1740	-
U.P.	Kanpur	Mill Delivery	Closed	1735	-
	Mathura	Mill Quality Loose	Closed	1650	-
	Kosi	Mill Quality Loose	Closed	1635	-
	Hathras	Mill Quality Loose	NR	1660	-
	Aligarh	Mill Quality Loose	NR	Closed	-
Punjab	Khanna	Mill Quality Loose	1710	1720	-10
	Ludhiana (Jagraon)	Mill Delivery	NR	NA	-
Haryana	Sirsa	Mill Delivery loose	1730	1725	5
	Hodal	Mill Delivery	1750	1750	Unch

	Bhiwani	Mill Quality Loose	NR	1750	-
	Karnal	Mill Delivery	1725	1725	Unch
	Panipat	Mill Quality Loose	1625	1625	Unch
Tamil Nadu	Chennai	Mill Quality	Closed	2115	-
	Madurai	Mill Quality	Closed	2172	-
	Coimbatore	Mill Quality	Closed	2172	-
Bihar	Khagariya	Mill Delivery	1700	1700	Unch
	Muzaffarpur	Mill Delivery	Closed	1650	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	1780	1780	Unch
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	1780	1780	Unch

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1-Mar-18	28-Feb-18	
Gujarat	Rajkot	Lokwan	1810	1810	Unch
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1900	1900	Unch
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	Closed	1790	-
	Baran	Lokwan	NR	1700	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			1-Mar-18	28-Feb-18	
Delhi	Lawrence Road	Mill Delivery	5000	7000	-2000
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	12000	12000	Unch
	Dhrol	Mill Quality Loose	NR	30	-
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	Closed	4000	-
U.P.	Kanpur	Mill Quality Loose	Closed	400	-
	Mathura	Mill Quality Loose	Closed	200	-
	Kosi	Mill Quality Loose	Closed	400	-
	Hathras	Mill Quality Loose	NR	400	-
	Aligarh	Mill Quality Loose	NR	Closed	-
Punjab	Khanna	Mill Quality Loose	600	300	300
	(Ludhiana)Jagraon	Mill Quality Loose	NR	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	NR	200	-

	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat (CBOT) Future Price:28.2.2018					
Contract Month	Open	High	Low	Close	Change
18-Mar	464.50	487.50	464.00	484.50	21.25
18-May	478.00	499.50	476.50	495.00	18.00
18-Jul	491.75	512.25	490.50	507.25	16.00
18-Sep	508.00	526.25	507.00	521.25	13.75
18-Dec	529.00	545.25	528.50	540.75	11.75
19-Mar	544.00	559.00	543.75	554.50	10.50

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