

Wheat Domestic Fundamentals:

India has received 12.6 mm of actual rainfall against 22.2 mm of normal rainfall in the month of February 2018. In the month of February 2018, deficient rainfall was recorded in Punjab, Haryana, Uttar Pradesh, Rajasthan, Haryana, West Madhya Pradesh, etc. No rain was seen in Gujarat region in the same month. Temperatures have been increasing in past week impacting growth period of wheat in maturity stage. Moderate rain in upcoming days is likely to benefit standing crop.

All India weekly average prices decreased by 10.63 percent to Rs. 1773.42 per quintal during the week ended 28th February 2018. Wheat average price were ruling at Rs 1984.35 per quintal during 16-23 February 2018. As compared to prices in the week 24-28 February 2017, the prices are weak by 14.17 percent. Prices are expected to remain steady to firm in coming days.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed steady to firm tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2180-2200 per quintal, ASW at Rs 2020-2030 per quintal and Ukrainian wheat at Rs 1850-1855 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

FCI has offered a total of 39752562 tonnes of wheat through E-Auction since June until First tender in March. Of the total quantity offered, only 1036150 tonnes of wheat has been sold until second tender in February. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports.

Authorities in Punjab have advised farmers to use pesticides to protect their wheat crop from aphids aka tela. Tela usually attacks the crop during rising temperatures. Farmers have reported tela in Kapurthala, Pathankot, Amritsar and Jalandhar districts. Wheat fields those are close to mustard crop have been affected more as yellow color attracts the insect. Punjab is likely to receive rains in coming days, which would lead to death of the pest. Furthermore Kurukshetra district of Haryana has also reported yellow rust on a small scale. Overall crop condition in both the states is good.

As per latest update, showers accompanied with hailstorm were noticed in Jaipur, Alwar, Sawai Madhopur and Jhunjhunu district of Rajasthan. No reports of damage to wheat crop have been received yet. However there are news that mustard crop have been slightly affected. Chief Minister Vasundhara Raje too has ordered for an early crop assessment to take further actions, if need be.

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.

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 whereas 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: 06.03.2018 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 | -3 | 1772 | 1779 | 1769 | 1773 | 680 | 90 | 6400 | -270 |
| 18-Apr | 27 | 1762 | 1789 | 1762 | 1786 | 410 | 280 | 700 | 200 |
| 18-May | 0 | 1739 | 1739 | 1739 | 1739 | 0 | 0 | 0 | 0 |

| Spread | Mar-18 | Apr-18 | May-18 | |
|-------------|--------|--------|--------|--|
| Spot Narela | | | | |
| 18-Mar | 73 | | | |
| 18-Apr | | 13 | | |
| 18-May | | | -47 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 05.Mar.18 | 05.Mar.18 | 05.Mar.18 | 05.Mar.18 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 5074 | 0 | 5074 | 5074 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 06.03.2018

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
| | | | 6-Mar-18 | 5-Mar-18 | |
| Delhi | Lawrence Road | Mill Delivery | 1800 | 1800 | Unch |
| | Narella | Mill Quality Loose | 1700 | 1700 | Unch |
| | Nazafgarh | Mill Quality Loose | 1690 | 1690 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1580 | 1580 | Unch |
| | Ahmedabad | Mill Delivery | 1800 | 1810 | -10 |
| | Surat | Mill Delivery | 1830 | 1830 | Unch |
| | Dhrol | Mill Quality Loose | NR | 8250 | - |
| M.P. | Indore | Mill Delivery | Closed | 1750 | - |
| | Bhopal | Mill Quality Loose | Closed | 1700 | - |
| Rajasthan | Kota | Mill Quality Loose | 1580 | 1580 | Unch |
| | | Mill Delivery | 1660 | 1660 | Unch |
| U.P. | Kanpur | Mill Delivery | 1740 | Closed | - |
| | Mathura | Mill Quality Loose | 1638 | Closed | - |
| | Kosi | Mill Quality Loose | 1620 | Closed | - |
| | Hathras | Mill Quality Loose | NA | NA | - |
| | Aligarh | Mill Quality Loose | NR | NR | - |
| Punjab | Khanna | Mill Quality Loose | 1740 | 1735 | 5 |
| | Ludhiana (Jagraon) | Mill Delivery | NR | NR | - |
| Haryana | Sirsa | Mill Delivery loose | 1730 | 1730 | Unch |
| | Hodal | Mill Delivery | 1760 | NR | - |

| | | | | | |
|-------------------|-------------------------------|--------------------|------|------|-------------|
| | Bhiwani | Mill Quality Loose | 1720 | 1730 | -10 |
| | Karnal | Mill Delivery | 1725 | 1725 | Unch |
| | Panipat | Mill Quality Loose | 1625 | 1625 | Unch |
| Tamil Nadu | Chennai | Mill Quality | 2115 | 2115 | Unch |
| | Madurai | Mill Quality | 2172 | 2172 | Unch |
| | Coimbatore | Mill Quality | 2172 | 2172 | Unch |
| Bihar | Khagariya | Mill Delivery | 1700 | 1700 | Unch |
| | Muzaffarpur | Mill Delivery | NR | 1600 | - |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | 1825 | 1800 | 25 |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | 1825 | 1800 | 25 |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|-------------|-----------------|----------|-------------|
| | | | 6-Mar-18 | 5-Mar-18 | |
| Gujarat | Rajkot | Lokwan | 1800 | 1800 | Unch |
| M.P. | Indore | Lokwan | Closed | 2100 | - |
| | Bhopal | Lokwan | Closed | 1900 | - |
| | Bina | Sarbati 306 | Closed | Closed | - |
| Rajasthan | Kota | LokwanBilty | 1750 | 1750 | Unch |
| | Baran | Lokwan | NR | NR | - |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|----------|--------------|
| | | | 6-Mar-18 | 5-Mar-18 | |
| Delhi | Lawrence Road | Mill Delivery | 8500 | 6000 | 2500 |
| | Narella | Mill Quality Loose | 400 | 300 | 100 |
| | Nazafgarh | Mill Quality Loose | 100 | 150 | -50 |
| Gujarat | Rajkot | Mill Quality Loose | 9000 | 15000 | -6000 |
| | Dhrol | Mill Quality Loose | NR | 74 | - |
| M.P. | Indore | Mill Quality Loose | Closed | 1500 | - |
| Rajasthan | Kota | Mill Quality | 3700 | 3000 | 700 |
| U.P. | Kanpur | Mill Quality Loose | 500 | Closed | - |
| | Mathura | Mill Quality Loose | 250 | Closed | - |
| | Kosi | Mill Quality Loose | 500 | Closed | - |
| | Hathras | Mill Quality Loose | NA | NA | - |
| | Aligarh | Mill Quality Loose | NR | NR | - |
| Punjab | Khanna | Mill Quality Loose | 400 | 400 | Unch |
| | (Ludhiana)Jagraon | Mill Quality Loose | NR | NR | - |
| Haryana | Sirsa | Mill Quality Loose | 100 | 100 | Unch |
| | Hodal | Mill Quality Loose | 60 | NR | - |
| | Bhiwani | Mill Quality Loose | 200 | 150 | 50 |

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

| Wheat Products Delhi | 6-Mar-18 | 5-Mar-18 | Change |
|------------------------------|----------|----------|--------|
| Atta (50kg) Ordinary | 1015 | 1015 | Unch |
| Maida Grade 1 (50KG) | 1135 | 1135 | Unch |
| Suji (50kg) | 1190 | 1190 | Unch |
| Chokar (50 kg) | 744 | 744 | Unch |
| Chokar (34 kg) | 516 | 516 | Unch |
| Chakki Atta (50kg) | 1025 | 1025 | Unch |
| Chakki Atta (50kg) Special | 1025 | 1025 | Unch |
| Chakki Atta (90kg) Superfine | NA | NA | - |
| Chakki Atta (50kg) Superfine | 1100 | 1100 | Unch |

| Wheat (CBOT) Future Price:05.3.2018 | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 18-Mar | 497.00 | 502.25 | 493.00 | 502.25 | 10.25 |
| 18-May | 506.50 | 510.25 | 495.25 | 509.25 | 9.25 |
| 18-Jul | 520.50 | 524.25 | 509.50 | 523.25 | 8.75 |
| 18-Sep | 534.75 | 538.25 | 524.00 | 537.50 | 8.75 |
| 18-Dec | 553.50 | 556.50 | 542.25 | 555.75 | 8.75 |
| 19-Mar | 565.25 | 570.00 | 556.00 | 570.00 | 9.25 |

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