

Wheat Domestic Fundamentals:

As per latest update, Uttar Pradesh government has set a procurement target of 50 LMT at MSP of Rs 1735 per quintal. For this purpose the state government will set up around 5500 procurement centres. The regional food controller, S K Singh, said, "The permitted moisture level in wheat has been fixed at 12 %. If it exceeds up to 14%, the value of wheat will be deducted by 2% accordingly. Crops where moisture level is above 14 % will be rejected."

All India weekly average prices increased by 0.09 percent to Rs. 1796.40 per quintal during the week ended 23rd March 2018. Wheat average price were ruling at Rs 1794.90 per quintal during 09-15 March 2018. As compared to prices in the week 16-23 March 2017, the prices are weak by 11.88 percent. Prices are expected to remain steady to weak in coming days due to increasing arrival pressure.

Wheat production in MY 2018-19 is likely to be lower compared to last year. Higher temperature, scanty rains accompanied with strong winds is likely to impact yield mainly in northern states like Uttar Pradesh, Punjab and Haryana. However, light rains in Punjab are likely to benefit wheat crop affected by aphid.

Government agencies have started procurement since 15th March'18. Until 23rd March'18 government has procured around 0.48 lakh tonnes of wheat. Of the total quantity procured, around 0.47 lakh tonnes have been procured from Madhya Pradesh and 0.01 lakh tonnes from Gujarat. In Rabi marketing season 2018-19 government has set procurement target of 32 MMT.

FCI has offered a total of 42500712 tonnes of wheat through E-Auction since June until third tender in March. Of the total quantity offered around 1391650 tonnes. Sales through E-Auction of wheat are at lower side this year due to high domestic production and imports.

As per latest update by DGCIS, India has exported around 192957 metric tonnes of wheat in April-January (2017-18) compared to 239308 metric tonnes in April- January (2016-17). In terms of value, exports have decreased by around 18 percent. Overall condition for Indian wheat export is not favourable and export volume would remain low in coming months as other countries are able to provide wheat at lower prices.

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed steady to weak tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2190-2200 per quintal, ASW at Rs 1990-2010 per quintal and Ukrainian wheat at Rs 1820-1850 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

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:

Algeria state grains agency OAIC has bought around 150000-175000 tonnes of durum wheat in a tender that closed on Thursday. The prices paid were in the range of \$295.00 - \$296.00 per tonne (Cost and Freight). The quantity to be shipped is due in May. The durum wheat can be sourced from various origins but a part of it is likely to be purchased from Mexico.

Iraq's state grain board has purchased around 100000 tonnes of hard wheat in a tender. Of the total quantity around 50000 tonnes was bought from U.S. at \$332.17 per tonne C&F and 50000 tonnes was bought from Australia at \$309.95 per tonne C&F.

Russian milling wheat prices remained steady to weak by \$0-1 per tonne compared to last week. Weak export demand from southern Russia and higher carryover stocks has weakened prices. 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 \$206.00-208.00/tonne whereas milling wheat with 11.5% protein content is being quoted at FoB \$202.00-204.00/tonne.

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

Wheat Futures Contract: NCDEX Price							Date: 26.03.2018 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-Apr	-18	1685	1687	1662	1667	590	-90	1750	100
18-May	-11	1720	1720	1685	1690	120	-20	240	50
18-Jun	0	1717	1717	1717	1717	0	0	0	0

Spread	Apr-18	May-18	June-18	
Spot Narela				
18-Apr	-33			
18-May		23		
18-June			27	

Stocks	Demat	In- Process	Total	FED
	24.Mar.18	24.Mar.18	24.Mar.18	19.Mar.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 26.3.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Mar-18	24-Mar-18	
Delhi	Lawrence Road	Mill Delivery	1760	1765	-5
	Narella	Mill Quality Loose	1700	1690	10
	Nazafgarh	Mill Quality Loose	1700	1680	20
Gujarat	Rajkot	Mill Delivery	Closed	1550	-
	Ahmedabad	Mill Delivery	Closed	1725	-
	Surat	Mill Delivery	Closed	1770	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	1700	1700	Unch
	Bhopal	Mill Quality Loose	1650	1650	Unch
Rajasthan	Kota	Mill Quality Loose	1540	1540	Unch
		Mill Delivery	1630	1630	Unch
U.P.	Kanpur	Mill Delivery	1745	1740	5
	Mathura	Mill Quality Loose	1605	1560	45
	Kosi	Mill Quality Loose	1615	1615	Unch
	Hathras	Mill Quality Loose	1650	1660	-10
	Aligarh	Mill Quality Loose	1600	1580	20
Punjab	Khanna	Mill Quality Loose	1730	1740	-10
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1715	1715	Unch
	Hodal	Mill Delivery	1700	1700	Unch
	Bhiwani	Mill Quality Loose	1700	1700	Unch
	Karnal	Mill Delivery	1700	1700	Unch
	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	1700	1700	Unch
	Muzaffarpur	Mill Delivery	1620	1620	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	1870	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	1870	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26-Mar-18	24-Mar-18	
Gujarat	Rajkot	Lokwan	Closed	1800	-
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1750	1750	Unch
	Bina	Sarbati 306	Closed	2300	-
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1840	1830	10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			26-Mar-18	24-Mar-18	
Delhi	Lawrence Road	Mill Delivery	8000	6000	2000
	Narella	Mill Quality Loose	500	500	Unch
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	Closed	2500	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	25000	25000	Unch
U.P.	Kanpur	Mill Quality Loose	500	500	Unch
	Mathura	Mill Quality Loose	1500	1000	500
	Kosi	Mill Quality Loose	400	200	200
	Hathras	Mill Quality Loose	500	380	120
	Aligarh	Mill Quality Loose	400	300	100
Punjab	Khanna	Mill Quality Loose	300	400	-100
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	800	600	200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	26-Mar-18	24-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:23.3.2018					
Contract Month	Open	High	Low	Close	Change
18-May	455.25	461.75	446.50	460.25	4.50
18-Jul	472.00	477.75	463.25	476.50	4.50
18-Sep	487.75	493.75	480.00	492.50	4.50
18-Dec	509.25	515.00	501.50	513.75	4.50
19-Mar	526.25	531.50	519.00	530.75	4.25
19-May	532.00	539.75	528.50	539.50	4.25

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