

Wheat Domestic Fundamentals:

As per trade sources, import quotes for wheat from various origins to Tuticorin port, witnessed weak tone in the week. As of now Tuticorin port price for APW is being quoted at Rs 2140-2160 per quintal, ASW at Rs 1970-1990 per quintal and Ukrainian wheat at Rs 1770-1790 per quintal. Ample availability in the market is keeping global wheat prices under pressure.

FCI will offer a total quantity 185900 tonnes of wheat in different states through e-auction on 28th March at a reserve price of Rs 1790 per quintal. Of the total quantity in OMSS, highest quantity of 60000 tonnes in West Bengal, 50000 tonnes in Odhisa, 26100 tonnes in Karnataka, 25000 tonnes in Kerala, 13000 tonnes in J&K, 6500 tonnes in Andhra Pradesh, 3800 tonnes in Assam and 1500 tonnes in Himachal Pradesh.

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.

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 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: 27.03.2018 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	1	1667	1685	1667	1675	300	-290	1700	-50
18-May	5	1696	1709	1696	1697	70	-50	250	10
18-Jun	0	1710	1710	1710	1710	0	0	0	0

Spread	Apr-18	May-18	June-18	
Spot Narela				
18-Apr	-35			
18-May		22		
18-Jun			13	

Stocks	Demat	In- Process	Total	FED
	26.Mar.18	26.Mar.18	26.Mar.18	26.Mar.18
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5074	0	5074	5074
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 27.3.2018

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Mar-18	26-Mar-18	
Delhi	Lawrence Road	Mill Delivery	1770	1760	10
	Narella	Mill Quality Loose	1710	1700	10
	Nazafgarh	Mill Quality Loose	1700	1700	Unch
Gujarat	Rajkot	Mill Delivery	Closed	Closed	-
	Ahmedabad	Mill Delivery	Closed	Closed	-
	Surat	Mill Delivery	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Delivery	1675	1700	-25
	Bhopal	Mill Quality Loose	1700	1650	50
Rajasthan	Kota	Mill Quality Loose	1540	1540	Unch
		Mill Delivery	1630	1630	Unch
U.P.	Kanpur	Mill Delivery	1715	1745	-30
	Mathura	Mill Quality Loose	1610	1605	5
	Kosi	Mill Quality Loose	1615	1615	Unch
	Hathras	Mill Quality Loose	1610	1650	-40
	Aligarh	Mill Quality Loose	1580	1600	-20
Punjab	Khanna	Mill Quality Loose	1750	1730	20
	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	1625	1620	5
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	Closed	Closed	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27-Mar-18	26-Mar-18	
Gujarat	Rajkot	Lokwan	Closed	Closed	-
M.P.	Indore	Lokwan	2000	2100	-100
	Bhopal	Lokwan	1800	1750	50
	Bina	Sarbati 306	Closed	Closed	-
Rajasthan	Kota	LokwanBilty	1850	1850	Unch
	Baran	Lokwan	1840	1830	10

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Mar-18	26-Mar-18	
Delhi	Lawrence Road	Mill Delivery	6500	8000	-1500
	Narella	Mill Quality Loose	300	500	-200
	Nazafgarh	Mill Quality Loose	40	50	-10
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	Closed	Closed	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	22000	25000	-3000
U.P.	Kanpur	Mill Quality Loose	600	500	100
	Mathura	Mill Quality Loose	2000	1500	500
	Kosi	Mill Quality Loose	400	400	Unch
	Hathras	Mill Quality Loose	300	500	-200
	Aligarh	Mill Quality Loose	250	400	-150
Punjab	Khanna	Mill Quality Loose	500	300	200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	700	800	-100

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

Wheat Products Delhi	27-Mar-18	26-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:26.3.2018					
Contract Month	Open	High	Low	Close	Change
18-May	462.50	463.75	451.25	454.25	-6.00
18-Jul	478.25	479.50	467.75	471.50	-5.00
18-Sep	494.00	495.50	484.00	487.75	-4.75
18-Dec	515.25	516.75	505.25	509.00	-4.75
19-Mar	532.25	533.00	521.75	525.75	-5.00
19-May	541.00	542.25	531.00	534.75	-4.75

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