

Wheat Domestic Fundamentals:

Wheat cash markets traded mixed taking clue from weak futures. Physical market is expected to trade steady in the near term. Wheat sowing commences with recent rains and decreasing temperature in major producing region.

India increases MSP of wheat by 5.2 percent from Rs 1450 to Rs 1525 for MY 2016-17. Earlier CACP had recommended to hike wheat MSP By Rs 75 per qtl. Govt buys wheat and rice every year to maintain buffer stock and for distribution for various welfare schemes.

New wheat would start hitting the market in another 4 months. This implies that the government would need to release around 10 to 11 MMT wheat in next four months till March-2015 against available stock of 31.87 MMT. Hence supply side would remain normal despite firm sentiments and weak export demand.

Wheat import during the week ending 1st Nov- was registered 10700 tonne at an average CiF quote of \$265.04 per tonne. As parity is not in favour of India, export volume is unlikely to increase in the coming weeks. Export volume was registered at 437.32 tonne during the same period at an average FoB of \$328.11 per tonne. Wheat has been imported from Australia and offloaded at Cochin port.

No fresh deal for import has been reported after the imposition of 25 percent duty on wheat. Higher import duty has made import costly and import parity is almost over now. Notably, govt. had increased import duty o from 10 percent to 25 percent in mid Sept to check the current flow of import. At current duty wheat costing at Cochin port from Australia, Russia and France may be around \$332.35, 297.49 and \$286.77 respectively per T. against this Indian wheat FoB is \$256 per T at Kandla Port.

The CACP (Commission for Agricultural Costs and Prices) has recommended to hike wheat MSP by 5.17 percent from Rs 1450 to Rs 1525 per qtl for wheat to be marketed in MY2016-17. In general Agriculture Ministry accepts CACP recommendation. However, ministry will prepare a cabinet note after taking suggestion from states and other ministries.

Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released First Adv. Estimate for kharif crop for 2015-16 on 16th Sept, 2015. Production target for wheat in Rabi has been set at 94.75 lakh tonne. In fourth adv. estimate it has revised wheat production estimate for 2014-15 to 90.78 lakh tonne. Notably, India has produced 95.85 million tonne wheat in 2013-14.

International Market Update:

Rains that fell across much of the central United States last week has boosted ratings of the emerging winter wheat crop winter wheat plantings at 89 percent complete, and good-to-excellent condition ratings up 3 percentage points to 50 percent..

Australia's wheat crop may face quality problems as the country's eastern belt are forecast to receive heavy rains this week, may damage the crop which is ready for harvest. Dry weather in September and above average temperatures this month have already curbed yields of high-protein prime hard wheat.

IGC has revised wheat production estimate by 7 million tonne to 727 MMT on the basis of improved production prospects in Russian Ukraine, Australia and EU. It might be a final production estimate for the year. Previously IGC had increased production estimate from 710 to 720 MMT.

Domestic market Outlook: Wheat cash market is likely trade steady.

| Wheat Futures Contact: NCDEX Price | | | | | | Date: 06.11.2015 | | | |
|---|-----------------------------|-------------|-------------|------------|--------------|-------------------------|------------------------------|-----------|------------------------------|
| Contract Month | Ch from previous day | Open | High | Low | Close | Vol | Ch. From previous day | OI | Ch. From previous day |
| 15-Nov | 7 | 1617 | 1630 | 1620 | 1624 | 960 | 220 | 5790 | 150 |
| 15-Dec | 4 | 1669 | 1676 | 1665 | 1666 | 960 | 840 | 1350 | 610 |
| 16-Jan | - | | | | | | | | |

| Spread | Nov-15 | Dec-15 | Jan-16 | Feb-16 |
|--------------------|--------|--------|--------|--------|
| Spot Narela | | | | |
| 15-Nov | -11 | | | |
| 15-Dec | | 45 | | |
| 16-Jan | | | - | |

| Stocks | Demat | In- Process | Total | FED |
|---------------|----------|-------------|----------|----------|
| | 5-Nov-15 | 5-Nov-15 | 5-Nov-15 | 2-Nov-15 |
| Delhi | | | | |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 13786 | 0 | 13786 | 13786 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 06.11.2015

| | Market | Variety | Prices (Rs/Qtl) | | Change |
|-------------------|--------------------------|---------------------|-----------------|-----------|--------|
| | | | 6-Nov-15 | 05-Nov-15 | |
| Delhi | | | | | |
| | Lawrence Road | Mill Delivery | 1680 | 1685 | -5 |
| | Narella | Mill Quality Loose | 1635 | 1655 | -20 |
| | Nazafgarh | Mill Quality Loose | 1625 | 1625 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1550 | 1560 | -10 |
| | Ahmedabad | Mill Delivery | 1590 | 1600 | -10 |
| | Dhrol | Mill Quality Loose | 1690 | 1745 | -55 |
| | Surat | Mill Delivery | 1630 | 1635 | -5 |
| M.P. | Bhopal | Mill Quality Loose | 1530 | 1530 | Unch |
| | Indore | Mill Delivery | 1660 | 1660 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1500 | 1510 | -10 |
| | | Mill Delivery | 1600 | 1610 | -10 |
| U.P. | Kanpur | Mill Delivery | 1565 | 1570 | -5 |
| | Mathura | Mill Quality Loose | 1515 | 1515 | Unch |
| | Kosi | Mill Quality Loose | 1540 | 1540 | Unch |
| | Hathras | Mill Quality Loose | 1511 | 1500 | 11 |
| | Aligarh | Mill Quality Loose | 1500 | 1500 | Unch |
| Punjab | Khanna | Mill Quality Loose | NA | NA | - |
| | (Ludhiana)Jagraon | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1570 | 1570 | Unch |
| | Hodal | Mill Delivery | NA | NA | - |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 1600 | 1600 | Unch |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 1880 | 1870 | 10 |
| | Madurai | Mill Quality | 1937 | 1927 | 10 |
| | Coimbatore | Mill Quality | 1937 | 1927 | 10 |
| Bihar | Sitamari | Mill Delivery | 1580 | 1575 | 5 |
| | Khagariya | Mill Delivery | 1750 | 1750 | Unch |
| FOR | Kandla(Rajasthan-Rajkot) | Mill Quality | 1600 | 1600 | Unch |

| | | | | | |
|--|------------------------------|--------------|------|------|------|
| | Gandhidham(Rajasthan-Rajkot) | Mill Quality | 1600 | 1600 | Unch |
|--|------------------------------|--------------|------|------|------|

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|----------|--------|
| | | | 6-Nov-15 | 5-Nov-15 | |
| Gujarat | | | | | |
| | Rajkot | Lokwan | 2000 | 2000 | Unch |
| | Dhrol | Lokwan | 1960 | 2045 | -85 |
| M.P. | Indore | Lokwan | 2000 | 2000 | Unch |
| | Bhopal | Lokwan | 1700 | 1700 | Unch |
| | Bina | Sarbati 306 | 2500 | 2500 | Unch |
| Rajasthan | Kota | Lokwan Bilty | 1750 | 1700 | 50 |
| | Baran | Lokwan | NA | NA | - |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
| | | | 6-Nov-15 | 5-Nov-15 | |
| Delhi | | | | | |
| | Lawrence Road | Mill Delivery | 3500 | 4500 | -1000 |
| | Narella | Mill Quality Loose | 250 | 150 | 100 |
| | Nazafgarh | Mill Quality Loose | 50 | 50 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 700 | 1000 | -300 |
| | Dhrol | Mill Quality Loose | 6 | 2 | 4 |
| M.P. | Indore | Mill Quality Loose | 2000 | 2000 | Unch |
| Rajasthan | Kota | Mill Quality | 4000 | 4000 | Unch |
| U.P. | Kanpur | Mill Quality Loose | 400 | 500 | -100 |
| | Mathura | Mill Quality Loose | 150 | 150 | Unch |
| | Kosi | Mill Quality Loose | 500 | 600 | -100 |
| | Hathras | Mill Quality Loose | 400 | 400 | Unch |
| | Aligarh | Mill Quality Loose | 500 | 500 | Unch |
| Punjab | Khanna | Mill Quality Loose | NA | NA | - |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 100 | 100 |
| | Hodal | Mill Quality Loose | NA | NA | - |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 600 | 500 | 100 |

| Wheat Products Delhi | | | 6-Nov-15 | 5-Nov-15 | Change |
|----------------------|--|--|----------|----------|--------|
| Atta (50kg) Ordinary | | | 875 | 875 | Unch |
| Maida Grade 1 (90kg) | | | 2202 | 2202 | Unch |
| Maida Grade 1 (50KG) | | | 1205 | 1205 | Unch |
| Suji (50kg) | | | 1230 | 1230 | Unch |
| Chokar (50 kg) | | | 733 | 733 | Unch |



| | | | |
|------------------------------|------|------|------|
| Chokar (34 kg) | 490 | 490 | Unch |
| Chakki Atta (50kg) | 1015 | 1015 | Unch |
| Chakki Atta (50kg) Special | NA | NA | - |
| Chakki Atta (90kg) Superfine | 1861 | 1861 | Unch |
| Chakki Atta (50kg) Superfine | NA | NA | - |

| Wheat (CBOT) Future Price: 05.11.2015 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 15-Dec | 524.25 | 529.00 | 520.25 | 526.25 | Unch |
| 16-Mar | 526.50 | 530.00 | 522.00 | 527.00 | -1.50 |
| 16-May | 530.00 | 532.25 | 524.50 | 528.50 | -3.25 |
| 16-Jul | 529.75 | 532.25 | 524.00 | 527.50 | -4.50 |
| 16-Sep | 538.25 | 538.50 | 533.75 | 535.25 | -4.50 |
| 16-Dec | 552.00 | 552.00 | 544.75 | 548.75 | -4.50 |

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