

Wheat Domestic Fundamentals:

Wheat Cash market trades firm taking clue from recovered futures. Despite lower area coverage (around 56.50% so far) any spike in cash wheat market is unlikely. However, post monsoon rains in the growing region are badly needed. Fear of lower area coverage this year is gaining ground and delayed sowing may affect normal yield. Sowing is yet to commence in growing state like Bihar. In other states except Gujarat sowing is unsatisfactory. Farmers in Bihar may shift to maize crop as it needs less water. Overall area coverage under wheat was registered at 18.65 lakh ha against 42.88 lakh ha last year till date.

Wheat export during week ended 15 Nov-2015 was registered at 396.88 tonne at an ave FoB price of \$312.23 per tonne. The highest price realized for Durum variety (\$458.94 per tonne. Export volume decrease by 23.94 % from last week. There is no hope for higher export volume due to disparity. Indian wheat is \$40 per tonne higher than other competitor's quotes. There was no import last week. Higher import duty (25%) remains restrictive for any fresh deal.

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.

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 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.

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:

Russian Wheat Exporters have won tow tenders of Egypt last week. Demand for Russian wheat has increased due to weak rouble. Wheat prices in local market remained almost flat and may stay steady despite higher demand. Black Sea prices for Russian wheat with 12.5 percent protein content were flat at \$198 per tonne on a free-on-board (FOB) basis. Domestic prices for third-class wheat added 75 roubles to 10,750 roubles (\$163) per tonne in the European part of Russia, on an ex-works basis.

Rough weather in Ukraine may impact wheat export in 2016-17 and it may decrease to 3.5 MMT. This year (2015-16) Ukraine may export 16.5 MMT wheat. Ukraine's eastern, central and southern regions are facing dry weather and farmers left 11 percent area out of normal unsowed. Production estimate has been cut by 8 percent to 17.5 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 to slightly firm

Wheat Futures Contact: NCDEX Price							Date: 17.11.2015		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Nov	5	1606	1611	1592	1611	30	-1300	70	-2175
15-Dec	10	1644	1654	1644	1654	240	-1190	2640	-1520
16-Jan	0	1682	1682	1682	1682	80	-25	1690	-10

Spread	Nov-15	Dec-15	Jan-16	Feb-16
Spot Narela				
15-Nov	44			
15-Dec		43		
16-Jan			-	

Stocks	Demat	In- Process	Total	FED
	16-Nov-15	16-Nov-15	16-Nov-15	16-Nov-15
Delhi				
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	13786	0	13786	13786
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 17.11.2015

	Market	Variety	Prices (Rs/Qtl)		Change
			17-Nov-15	16-Nov-15	
Delhi	Lawrence Road	Mill Delivery	1695	1695	Unch
	Narella	Mill Quality Loose	1655	1655	Unch
	Nazafgarh	Mill Quality Loose	1615	1625	-10
Gujarat	Rajkot	Mill Delivery	1620	1620	Unch
	Ahmedabad	Mill Delivery	1620	1640	-20
	Dhrol	Mill Quality Loose	NR	1760	-
	Surat	Mill Delivery	1645	1660	-15
M.P.	Bhopal	Mill Quality Loose	1500	1540	-40
	Indore	Mill Delivery	1670	1670	Unch
Rajasthan	Kota	Mill Quality Loose	1500	1505	-5
		Mill Delivery	1600	1610	-10
U.P.	Kanpur	Mill Delivery	1550	1565	-15
	Mathura	Mill Quality Loose	1520	1525	-5
	Kosi	Mill Quality Loose	1565	1565	Unch
	Hathras	Mill Quality Loose	1525	1525	Unch
	Aligarh	Mill Quality Loose	1460	1520	-60
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1575	1575	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	1850	1850	Unch
	Madurai	Mill Quality	1907	1907	Unch
	Coimbatore	Mill Quality	1907	1907	Unch
Bihar	Sitamari	Mill Delivery	Closed	Closed	-
	Khagariya	Mill Delivery	Closed	1800	-
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	1600	1600	Unch

	Gandhidham(Rajasthan-Rajkot)	Mill Quality	1600	1600	Unch
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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			17-Nov-15	16-Nov-15	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
	Dhrol	Lokwan	NR	2165	-
M.P.	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1675	1700	-25
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	NA	NA	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			17-Nov-15	16-Nov-15	
Delhi	Lawrence Road	Mill Delivery	3000	3000	Unch
	Narella	Mill Quality Loose	250	300	-50
	Nazafgarh	Mill Quality Loose	50	40	10
Gujarat	Rajkot	Mill Quality Loose	700	800	-100
	Dhrol	Mill Quality Loose	NR	5	-
M.P.	Indore	Mill Quality Loose	4000	5000	-1000
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	200	500	-300
	Mathura	Mill Quality Loose	200	200	Unch
	Kosi	Mill Quality Loose	400	250	150
	Hathras	Mill Quality Loose	100	100	Unch
	Aligarh	Mill Quality Loose	200	200	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	600	500	100

Wheat Products Delhi			17-Nov-15	16-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: 16.11.2015					
Contract Month	Open	High	Low	Close	Change
15-Dec	494.75	498.00	490.00	494.00	-1.75
16-Mar	497.00	499.25	492.00	495.50	-2.25
16-May	500.75	502.75	495.75	498.75	-2.50
16-Jul	501.00	504.75	497.50	500.75	-1.75
16-Sep	505.75	512.50	505.75	508.50	-2.25
16-Dec	522.50	526.25	520.75	522.00	-2.75

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