

Wheat Domestic Fundamentals:

Overall wheat coverage area recovered last week considerably despite slower pace of sowing. All India wheat coverage was registered at 239.45 lakh ha during week ended 18.12.2015. It was 202.28 lakh ha previous week. Despite recovery in wheat coverage it is still lower by 10.74 % from Previous year till 18th Dec-2014. More recovery is expected in last week of dec and 1st week of January. However, the season may end with 1 million ha lower area coverage.

Wheat cash markets traded up by 2.13% to Rs 1743.89 per qtl. in comparison to 1st week of December-2015 on all India average basis during the week under review. Firmness in premium grades like Tukra, Sharbati, Banshi and Lok-1 may continue due to short supply of these varieties in the open market. Stockists are well aware of the fact and they would release restricted quantity intentionally to fetch maximum benefit in the lean season. However, ordinary grade may trade steady as continuous release from central pool stock in bulk volume would restrict uptrend to some extent.

Despite negligible export demand for Indian wheat, prices in cash market may move northward next year as local millers are now more dependent on central pool stock. Private trades are supplying FAQ variety at higher price and they are well aware of lower stock of fine grade wheat in open market. So they would continue to release their stock with slower pace in the months ahead. Higher MSP (Rs 1525 per qtl.), likely lower crop and normal demand in domestic market would lend support to cash market.

There is no parity for wheat import at current price and recently imposed duty of 25 % on wheat has made import unviable despite lower price in global market. However, export continues in small quantity for various destinations. India exported 510.72 tonne wheat during week ended 13 December-2015. Average FoB quote realized last week was \$324.18 per tonne. As prices are ruling lower in global market export opportunity for Indian wheat exporters seems blemish.

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:

IGC wheat production estimate remained unchanged this month too at 726 MMT. However, trade estimate has been revised up by 1 MMT to 151 MMT.

Global wheat market has shown some improvement in recent week after considerable dip in last four weeks. However, firmness is unlikely to continue due to ample global supply and good production prospect in winter season. At current price buyers may return to market to cover their short position. So more decrease in global market seems a remote possibility.

Algeria has brought around 8 lakh tonne wheat from global market last week, higher by 2 lakh tonne from its average monthly buying. Ethiopia too is trying to buy 70,000 tonne wheat this week. Jordan are looking for 100,000 MT of hard wheat and Syria for 200,000 MT of soft milling wheat. Meanwhile Japan are tendering for their regular 123,275 MT consignment of what this week is only US and Canadian wheat for Jan/Mar shipment.

Domestic market Outlook: Wheat cash market is likely trade steady to slightly firm.

Wheat Futures Contact: NCDEX Price							Date:21.12.2015		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Dec	-2	1700	1708	1700	1700	330	-30	1780	1150
16-Jan	0	1729	1729	1729	1729	270	120	1380	40
16-Feb	0	1680	1680	1880	-	-	-	-	-

Spread	Dec-15	Jan-16	Feb-16	Mar-16
Spot Narela				
15-Dec	50			
16-Jan		29		
16-Feb			-	

Stocks	Demat	In- Process	Total	FED
	19-Dec-15	19-Dec-15	19-Dec-15	14-Dec-15
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	2988	0	2988	2193
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 21.12.2015

	Market	Variety	Prices (Rs/Qtl)		Change
			21-Dec-15	19-Dec-15	
Delhi					
	Lawrence Road	Mill Delivery	1690	1685	5
	Narella	Mill Quality Loose	1650	1640	10
	Nazafgarh	Mill Quality Loose	1630	1625	5
Gujarat	Rajkot	Mill Delivery	NR	1590	-
	Ahmedabad	Mill Delivery	NR	1650	-
	Dhrol	Mill Quality Loose	1775	1895	-120
	Surat	Mill Delivery	NR	1680	-
M.P.	Bhopal	Mill Quality Loose	1550	1600	-50
	Indore	Mill Delivery	1680	1680	Unch
Rajasthan	Kota	Mill Quality Loose	1570	1570	Unch
		Mill Delivery	1680	1680	Unch
U.P.	Kanpur	Mill Delivery	1575	1575	Unch
	Mathura	Mill Quality Loose	1575	1590	-15
	Kosi	Mill Quality Loose	1560	1560	Unch
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1550	1525	25
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1550	1550	Unch
	Hodal	Mill Delivery	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1650	1625	25
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1900	1900	Unch
	Madurai	Mill Quality	1957	1957	Unch
	Coimbatore	Mill Quality	1957	1957	Unch
Bihar	Sitamari	Mill Delivery	1610	Closed	-
	Khagariya	Mill Delivery	1800	1750	50
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			21-Dec-15	19-Dec-15	
Gujarat					
	Rajkot	Lokwan	NR	2000	-
	Dhrol	Lokwan	2140	2200	-60
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	1800	1900	-100
	Bina	Sarbati 306	2500	2500	Unch
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	NA	NA	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			21-Dec-15	19-Dec-15	
Delhi					
	Lawrence Road	Mill Delivery	2000	2000	Unch
	Narella	Mill Quality Loose	300	250	50
	Nazafgarh	Mill Quality Loose	200	150	50
Gujarat	Rajkot	Mill Quality Loose	NR	500	-
	Dhrol	Mill Quality Loose	9	7	2
M.P.	Indore	Mill Quality Loose	800	700	100
Rajasthan	Kota	Mill Quality	3000	4000	-1000
U.P.	Kanpur	Mill Quality Loose	400	200	200
	Mathura	Mill Quality Loose	100	100	Unch
	Kosi	Mill Quality Loose	400	325	75
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	100	100	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	200	500	-300

Wheat Products Delhi			21-Dec-15	19-Dec-15	Change
Atta (50kg) Ordinary			950	950	Unch
Maida Grade 1 (90kg)			2301	2301	Unch
Maida Grade 1 (50KG)			1260	1260	Unch
Suji (50kg)			1310	1310	Unch
Chokar (50 kg)			728	728	Unch



Chokar (34 kg)	502	502	Unch
Chakki Atta (50kg)	950	950	Unch
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	1897	1897	Unch
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 18.12.2015					
Contract Month	Open	High	Low	Close	Change
16-Mar	486.00	499.00	481.00	486.75	2.75
16-May	488.50	505.25	487.75	493.00	2.00
16-Jul	498.25	510.25	494.00	499.00	1.75
16-Sep	505.25	519.50	503.75	508.50	1.25
16-Dec	520.75	533.75	517.50	523.25	2.00
17-Mar	539.50	545.00	534.75	534.75	1.75

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