

Wheat Domestic Fundamentals:

Cash wheat market trades mixed and will continue to trade range bound in the near term. South Indian miller may start importing wheat once again as Argentina has devalued its currency by 26.5 % while export tax has been scraped last week. These developments have encourage importers once again despite 25 % duty applicable in India .

Wheat sowing season has entered in last phase now and it is likely to be over by the end of this month in Punjab and Haryana. With late start of sowing Punjab farmers have preferred two varieties namely HD2967 and HD 3086.HD 2967 has been shown in 75% area out of 35 lakh ha in Punjab.

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.

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.

Argentina to has devalued its currency and are in process of scraping wheat export tax(applicable 23% currently).It will add pressure of higher supply and restrict market to move up soon. The heavy supply situation of the 2015/16 season seems to be well priced right now. However, some worries still lie unanswered like abnormal temperature in northern hemisphere, lower snow falling that may kill standing crop. January month would be very crucial for winter crop production prospects.

Domestic market Outlook: Wheat cash market is likely trade range bound..

| Wheat Futures Contact: NCDEX Price | | | | | | | Date:23.12.2015 | | |
|------------------------------------|----------------------|------|------|------|-------|-----|-----------------------|------|-----------------------|
| Contract Month | Ch from previous day | Open | High | Low | Close | Vol | Ch. From previous day | OI | Ch. From previous day |
| 16-Jan | -3 | 1698 | 1703 | 1698 | 1703 | 270 | 120 | 1380 | 40 |
| 16-Feb | 0 | - | - | - | - | - | - | - | - |
| 16-Mar | 0 | - | - | - | - | - | - | - | - |

| Spread | Dec-15 | Jan-16 | Feb-16 | Mar-16 |
|--------------------|--------|--------|--------|--------|
| Spot Narela | | | | |
| 15-Dec | 53 | | | |
| 16-Jan | | 30 | | |
| 16-Feb | | | - | |

| Stocks | Demat | In- Process | Total | FED |
|---------------|------------------|------------------|------------------|------------------|
| | 22-Dec-15 | 22-Dec-15 | 22-Dec-15 | 21-Dec-15 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 3038 | 0 | 3038 | 3038 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 23.12.2015

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-------------------|-------------------|---------------------|------------------|------------------|-------------|
| Delhi | | | 23-Dec-15 | 22-Dec-15 | |
| | Lawrence Road | Mill Delivery | 1690 | 1685 | 5 |
| | Narella | Mill Quality Loose | Closed | 1650 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 1625 | - |
| Gujarat | Rajkot | Mill Delivery | NR | NR | - |
| | Ahmedabad | Mill Delivery | NR | NR | - |
| | Dhrol | Mill Quality Loose | 1725 | 1755 | -30 |
| | Surat | Mill Delivery | NA | NA | - |
| M.P. | Bhopal | Mill Quality Loose | 1550 | 1550 | Unch |
| | Indore | Mill Delivery | 1680 | 1680 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1580 | 1570 | 10 |
| | | Mill Delivery | 1670 | 1680 | -10 |
| U.P. | Kanpur | Mill Delivery | 1575 | 1570 | 5 |
| | Mathura | Mill Quality Loose | 1550 | 1575 | -25 |
| | Kosi | Mill Quality Loose | 1575 | 1560 | 15 |
| | Hathras | Mill Quality Loose | NA | NA | - |
| | Aligarh | Mill Quality Loose | Closed | 1550 | - |
| 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 | 1660 | -10 |
| | 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 | 1615 | 1610 | 5 |
| | Khagariya | Mill Delivery | 1800 | 1800 | Unch |

| | | | | | |
|------------|------------------------------|--------------|----|----|---|
| FOR | Kandla(Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham(Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|---------------|----------------|------------------------|------------------|---------------|
| | | | 23-Dec-15 | 22-Dec-15 | |
| Gujarat | Rajkot | Lokwan | NR | NR | - |
| | Dhrol | Lokwan | 1975 | 2125 | -150 |
| | Indore | Lokwan | 2000 | 2100 | -100 |
| M.P. | Bhopal | Lokwan | 1750 | 1800 | -50 |
| | Bina | Sarbati 306 | Closed | 2500 | - |
| | Kota | Lokwan Bilty | 1750 | 1750 | Unch |
| Rajasthan | Baran | Lokwan | NR | NA | - |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|----------------------------|------------------|---------------|
| | | | 23-Dec-15 | 22-Dec-15 | |
| Delhi | Lawrence Road | Mill Delivery | 2000 | 2500 | -500 |
| | Narella | Mill Quality Loose | Closed | 350 | - |
| | Nazafgarh | Mill Quality Loose | Closed | 150 | - |
| | Rajkot | Mill Quality Loose | NR | NR | - |
| Gujarat | Dhrol | Mill Quality Loose | 5 | 4 | 1 |
| | Indore | Mill Quality Loose | 2000 | 1500 | 500 |
| Rajasthan | Kota | Mill Quality | 5000 | 4000 | 1000 |
| U.P. | Kanpur | Mill Quality Loose | 250 | 300 | -50 |
| | Mathura | Mill Quality Loose | 150 | 50 | 100 |
| | Kosi | Mill Quality Loose | 400 | 300 | 100 |
| | Hathras | Mill Quality Loose | NA | NA | - |
| | Aligarh | Mill Quality Loose | Closed | 80 | - |
| 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 | 800 | 700 | 100 |

| Wheat Products Delhi | | | 23-Dec-15 | 22-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: 22.12.2015 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 16-Mar | 480.00 | 482.75 | 471.25 | 471.75 | -7.25 |
| 16-May | 486.50 | 489.75 | 478.50 | 479.00 | -7.25 |
| 16-Jul | 495.00 | 496.75 | 486.25 | 486.75 | -6.50 |
| 16-Sep | 505.00 | 506.25 | 496.50 | 496.50 | -6.50 |
| 16-Dec | 519.75 | 520.50 | 510.25 | 510.75 | -6.25 |
| 17-Mar | 527.75 | 528.00 | 522.50 | 522.50 | -6.25 |

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