

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:

Egypt Buys 1.2 lakh tonne wheat from Argentina for January end delivery. Wheat has been brought from Louis Dreyfus at the average price of \$190.94 a tonne cost and freight. It is first time Argentina has brought wheat from Argentina.

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.

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Spread	Dec-15	Jan-16	Feb-16	Mar-16
Spot Narela				
15-Dec				
16-Jan				
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 24.12.2015

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24-Dec-15	23-Dec-15	
Delhi	Lawrence Road	Mill Delivery	1685	1690	-5
	Narella	Mill Quality Loose	1650	Closed	-
	Nazafgarh	Mill Quality Loose	1625	Closed	-
Gujarat	Rajkot	Mill Delivery	NR	NR	-
	Ahmedabad	Mill Delivery	NR	NR	-
	Dhrol	Mill Quality Loose	1755	1725	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	1570	1580	-10
		Mill Delivery	1680	1670	10
U.P.	Kanpur	Mill Delivery	1570	1575	-5
	Mathura	Mill Quality Loose	1575	1550	25
	Kosi	Mill Quality Loose	1560	1575	-15
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1550	Closed	-
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	1660	1650	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	1610	1615	-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
			24-Dec-15	23-Dec-15	
Gujarat					
	Rajkot	Lokwan	NR	NR	-
	Dhrol	Lokwan	NR	1975	-
M.P.	Indore	Lokwan	2100	2000	100
	Bhopal	Lokwan	NR	1750	-
	Bina	Sarbati 306	NR	Closed	-
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			24-Dec-15	23-Dec-15	
Delhi					
	Lawrence Road	Mill Delivery	2000	2000	Unch
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	NR	NR	-
	Dhrol	Mill Quality Loose	NR	5	-
M.P.	Indore	Mill Quality Loose	1600	2000	-400
Rajasthan	Kota	Mill Quality	5000	5000	Unch
U.P.	Kanpur	Mill Quality Loose	500	250	250
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	Closed	Closed	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	700	800	-100

Wheat Products Delhi			24-Dec-15	23-Dec-15	Change
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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: 23.12.2015					
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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