

## 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 1<sup>st</sup> 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.*

[illegible]

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

Stocks	Demat	In- Process	Total	FED
	23-Dec-15	23-Dec-15	23-Dec-15	21-Dec-15
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1281	0	1281	3038
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 24.12.2015**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			26-Dec-15	24-Dec-15	
	Lawrence Road	Mill Delivery	1680	1685	-5
	Narella	Mill Quality Loose	1635	1650	-15
	Nazafgarh	Mill Quality Loose	1630	1625	5
Gujarat	Rajkot	Mill Delivery	NA	NR	-
	Ahmedabad	Mill Delivery	NA	NR	-
	Dhrol	Mill Quality Loose	NA	1755	-
	Surat	Mill Delivery	NA	NA	-
M.P.	Bhopal	Mill Quality Loose	Closed	1550	-
	Indore	Mill Delivery	1680	1680	Unch
Rajasthan	Kota	Mill Quality Loose	1575	1570	5
		Mill Delivery	1650	1680	-30
U.P.	Kanpur	Mill Delivery	1565	1570	-5
	Mathura	Mill Quality Loose	1570	1575	-5
	Kosi	Mill Quality Loose	1575	1560	15
	Hathras	Mill Quality Loose	1550	1580	-30
	Aligarh	Mill Quality Loose	1550	1550	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1560	1550	10
	Hodal	Mill Delivery	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1660	1660	Unch
	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	1620	1610	10

	Khagariya	Mill Delivery	1750	1800	<b>-50</b>
<b>FOR</b>	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			<b>26-Dec-15</b>	<b>24-Dec-15</b>	
<b>Gujarat</b>					
	Rajkot	Lokwan	NR	NR	-
	Dhrol	Lokwan	NR	NR	-
<b>M.P.</b>	Indore	Lokwan	2000	2100	<b>-100</b>
	Bhopal	Lokwan	NR	NR	-
	Bina	Sarbati 306	NR	NR	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	1850	1750	<b>100</b>
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			<b>26-Dec-15</b>	<b>24-Dec-15</b>	
<b>Delhi</b>					
	Lawrence Road	Mill Delivery	2000	2000	<b>Unch</b>
	Narella	Mill Quality Loose	800	400	<b>400</b>
	Nazafgarh	Mill Quality Loose	50	100	<b>-50</b>
<b>Gujarat</b>	Rajkot	Mill Quality Loose	0	NR	-
	Dhrol	Mill Quality Loose	0	NR	-
<b>M.P.</b>	Indore	Mill Quality Loose	700	1600	<b>-900</b>
	Kota	Mill Quality	3000	5000	<b>-2000</b>
<b>Rajasthan</b>					
	Kanpur	Mill Quality Loose	400	500	<b>-100</b>
	Mathura	Mill Quality Loose	100	150	<b>-50</b>
	Kosi	Mill Quality Loose	300	300	<b>Unch</b>
	Hathras	Mill Quality Loose	0	NA	-
<b>U.P.</b>	Aligarh	Mill Quality Loose	150	Closed	-
<b>Punjab</b>	Khanna	Mill Quality Loose	0	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	0	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	100	100	<b>Unch</b>
	Hodal	Mill Quality Loose	0	NA	-
	Karnal	Mill Delivery	0	NA	-
	Bhiwani	Mill Quality Loose	400	700	<b>-300</b>



Wheat Products Delhi	26-Dec-15	24-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: 24.12.2015					
Contract Month	Open	High	Low	Close	Change
16-Mar	468.50	471.75	467.25	467.50	-2.00
16-May	476.00	478.75	474.50	474.50	-2.50
16-Jul	484.00	486.75	482.50	482.75	-2.25
16-Sep	494.75	496.00	492.50	492.75	-2.25
16-Dec	509.50	511.25	506.75	507.25	-2.00
17-Mar	520.00	520.00	519.75	519.75	-1.75

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