

Wheat Domestic Fundamentals:

Wheat cash markets continued to trade up by 0.31% to Rs 1748.63 per qtl. in comparison to 2nd week of December-2015 on all India average basis during the week under review. All India average price of FAQ quality was registered at Rs 1743.19 per qtl previous week. 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.

Export continues in small quantity for various destinations. India exported 772.49 tonne wheat during week ended 20 December-2015. Average FoB quote realized last week was \$332.78 per tonne. As prices are ruling lower in global market export opportunity for Indian wheat exporters seems blemish. India imported 3850 tonne wheat during the same period after a gap of three weeks at an average CiF of \$254.42 per tonne. Wheat landed at Cochin sea.

Other bullish factors that have changed bearish inner tone are delayed sowing, lower area coverage and increasing fear of lower yield from late shown crop in Madhya Pradesh, Uttar Pradesh, Maharashtra and Rajasthan. MSP for the new crop (Rs 1525 per qtl) too would not allow market to decrease much from current level until new crop hits the market.

As per latest update from Ministry of Agriculture Indian wheat growing States have covered 239.45 lakh ha area till 18th Dec-2015. It is almost 10.74 % lower (268.26 lakh ha) in comparison to area covered in the corresponding time of last year. States like Uttar Pradesh, Gujarat and Madhya Pradesh are running behind by 19.17, 26.13 and 13.33 % at progressive wheat area coverage front. Sowing is on and would continue till 15th January-2015. Recovery in coverage is expected now with decreasing temperature and light showers of rains in some parts of central and western India. However, overall acreage may decrease from 306 lakh ha. to 29.5 lakh ha due to late sowing.

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 decreases 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	Jan-16	Feb-16	Mar-16	Apr-16
Spot Narela				
16-Jan	66			
16-Feb		-		
16-Mar			-	

Stocks	Demat	In- Process	Total	FED
	28-Dec-15	28-Dec-15	28-Dec-15	28-Dec-15
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1262	198	1460	1262
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 28.12.2015

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Dec-15	28-Dec-15	
Delhi	Lawrence Road	Mill Delivery	1690	1680	10
	Narella	Mill Quality Loose	1630	1635	-5
	Nazafgarh	Mill Quality Loose	1650	1630	20
Gujarat	Rajkot	Mill Delivery	NR	NR	-
	Ahmedabad	Mill Delivery	NR	NR	-
	Dhrol	Mill Quality Loose	1845	NR	-
	Surat	Mill Delivery	NR	NR	-
M.P.	Bhopal	Mill Quality Loose	1550	1560	-10
	Indore	Mill Delivery	1680	1680	Unch
Rajasthan	Kota	Mill Quality Loose	1580	1585	-5
		Mill Delivery	1650	1650	Unch
U.P.	Kanpur	Mill Delivery	1580	1565	15
	Mathura	Mill Quality Loose	1575	1580	-5
	Kosi	Mill Quality Loose	1580	1575	5
	Hathras	Mill Quality Loose	NR	NR	-
	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	1550	1550	Unch
	Hodal	Mill Delivery	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	NR	1650	-
	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	1615	5
	Khagariya	Mill Delivery	1750	1750	Unch
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-Dec-15	28-Dec-15	
Gujarat					
	Rajkot	Lokwan	NR	NR	-
	Dhrol	Lokwan	2105	NR	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	1800	1850	-50
	Baran	Lokwan	NA	NA	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Dec-15	28-Dec-15	
Delhi					
	Lawrence Road	Mill Delivery	1800	2000	-200
	Narella	Mill Quality Loose	350	800	-450
	Nazafgarh	Mill Quality Loose	30	50	-20
Gujarat	Rajkot	Mill Quality Loose	NR	NR	-
	Dhrol	Mill Quality Loose	5	NR	-
M.P.	Indore	Mill Quality Loose	1500	500	1000
Rajasthan	Kota	Mill Quality	3000	2000	1000
U.P.	Kanpur	Mill Quality Loose	600	400	200
	Mathura	Mill Quality Loose	100	200	-100
	Kosi	Mill Quality Loose	250	500	-250
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	NA	150	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	150	100	50
	Hodal	Mill Quality Loose	NA	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	NA	250	-



Wheat Products Delhi	29-Dec-15	28-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: 28.12.2015					
Contract Month	Open	High	Low	Close	Change
16-Mar	468.00	472.50	466.00	466.50	-1.00
16-May	475.50	479.25	473.00	473.25	-1.25
16-Jul	483.25	487.50	480.75	481.00	-1.75
16-Sep	495.50	495.75	491.00	491.00	-1.75
16-Dec	507.50	511.25	505.00	505.25	-2.00
17-Mar	518.00	518.00	518.00	518.00	-1.75

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