

Wheat Domestic Fundamentals:

Wheat cash markets traded under pressure despite lower area coverage and weak production prospects this year due to moisture stress. Rains in the producing region are very crucial and if it occur in next 10 /15 days, wheat prices may stay steady at current level. In absence of rains prices of wheat may move up once again.

M.P,Gujarat and U.P would contribute lower wheat in the central pool kitty this year as production in these states is likely to dip by 10 to 30 percent. Overall production may dip by 4 to 5 % this year and may hinge between 85 to 86 MMT. Next one and a half month is very crucial for the standing crop.

As per latest update from Ministry of Agriculture Indian wheat growing States have covered 271.46 lakh ha area till 1st Jan-2016.It is almost 7.4 % lower (293.16 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 11.28,27.21 and 13.60 % at progressive wheat area coverage front. Sowing is on and would continue till 15th January-2016.Recovery in coverage is expected now to some extent with decreasing temperature in central, east and western parts of India. However, overall acreage may decrease from 306 lakh ha. to 29.0 lakh ha due to late sowing.

Yellow rust has been spotted on wheat crop in some parts of Punjab and it may spread rapidly as condition for its spread is very conducive now. As per latest update by Punjab Agricultural University (PAU), yellow rust disease has been spotted in a some wheat fields in Anandpur Sahib and Nangal in Ropar district which are sub-mountainous areas of Punjab. The affected crop is HD 2967.PAU has suggested farmers to be careful and use pesticide advised by agri scientists. Farmers need to be vigilant in Gurdaspur and Pathankot in Punjab, Yamunanagar in Haryana and Kathua in Jammu and Kashmir.

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.

B,desh has issued an international tender to import 50,000 tonnes of milling wheat. The deadline for this offer is 10th of January-2016.Bid winners have to deliver wheat within 40 days of the signing of the contract. The tender called for wheat with at least 12.5 percent protein and a minimum test weight of 76 kilos per hectoliter.

Argentina has revised its grain export policies and it would encourage farmers to grow more wheat and corn now. Export permit policy has been cancelled. Export tax too has been removed on corn and wheat. Local farmers had reduced their wheat and corn area under export permit system and lower price. Now they will double their area under wheat and corn-say experts.

Argentina's Agriculture Ministry is forecasting the current wheat crop to be 10.9 million metric tons. That's below the 2007-08 record crop of 16.4 million, before the export permit policy was initiated.The export of grains has become more profitable for farmers after Argentina's government lifted four years of currency controls, leading to the the biggest one-day peso devaluation in the last 14 years on Dec. 17.

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

Wheat Futures Contact: NCDEX Price							Date:04.01.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Jan	10	1664.00	1670.00	1657.00	1670.00	160	-560	1370	-255
16-Feb	18	1694.00	1696.00	1690.00	1696	60	10	190	100
16-Mar	00	1670	1670	1670	1670	20		40	

Spread	Jan-16	Feb-16	Mar-16	Apr-16
Spot Narela				
16-Jan	45			
16-Feb		26		
16-Mar			-	

Stocks	Demat	In- Process	Total	FED
	02-Jan-16	02-Jan-16	02-Jan-16	28-Dec-15
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1460	0	1460	1262
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 04.01.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			4-Jan-16	2-Jan-16	
Delhi					
	Lawrence Road	Mill Delivery	1690	1695	-5
	Narella	Mill Quality Loose	1625	1630	-5
	Nazafgarh	Mill Quality Loose	1625	1625	Unch
Gujarat	Rajkot	Mill Delivery	1690	NR	-
	Ahmedabad	Mill Delivery	1650	NR	-
	Dhrol	Mill Quality Loose	NA	1955	-
	Surat	Mill Delivery	1700	NR	-
M.P.	Bhopal	Mill Quality Loose	1560	1560	Unch
	Indore	Mill Delivery	1690	1680	10
Rajasthan	Kota	Mill Quality Loose	1600	1625	-25
		Mill Delivery	1690	1650	40
U.P.	Kanpur	Mill Delivery	1565	1565	Unch
	Mathura	Mill Quality Loose	1600	1600	Unch
	Kosi	Mill Quality Loose	1650	1590	60
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NR	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	NR	1650	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1850	1900	-50
	Madurai	Mill Quality	1907	1957	-50
	Coimbatore	Mill Quality	1907	1957	-50
Bihar	Sitamari	Mill Delivery	1620	Closed	-

	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
Gujarat			4-Jan-16	2-Jan-16	
	Rajkot	Lokwan	2000	NR	-
	Dhrol	Lokwan	NA	1730	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1800	-100
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			4-Jan-16	2-Jan-16	
	Lawrence Road	Mill Delivery	1200	1500	-300
	Narella	Mill Quality Loose	300	250	50
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	700	NR	-
	Dhrol	Mill Quality Loose	NA	4	-
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	4000	5000	-1000
U.P.	Kanpur	Mill Quality Loose	300	350	-50
	Mathura	Mill Quality Loose	100	200	-100
	Kosi	Mill Quality Loose	350	200	150
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NR	150	-
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	NR	50	-

Wheat Products Delhi	4-Jan-16	2-Jan-16	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: 31.12.2015					
Contract Month	Open	High	Low	Close	Change
16-Mar	469.75	472.50	468.75	470.00	0.25
16-May	476.50	479.00	475.50	476.50	Unch
16-Jul	484.50	485.75	482.25	483.25	-0.25
16-Sep	492.75	495.00	492.00	492.25	-0.75
16-Dec	506.75	509.50	506.50	507.50	0.50
17-Mar	518.50	519.25	518.50	519.25	0.50

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