

### Wheat Domestic Fundamentals:

**Wheat cash markets traded almost unchanged due to lower demand** from local millers despite lower area coverage and weak production prospects this year. Moisture stress in the field still remains a cause of major concern. Rains in the producing region are very crucial and if it occurs 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.

**India exported 528.24 tonne wheat during week ended 3<sup>rd</sup> Jan-2016 at an average FoB of 324.52 per tonne** The highest and lowest quotes were \$393.66 and \$287.81 per tonne. Major buyer was UAE. Wheat import increased to 18175 tonne at an average CiF of \$260.86 per tonne in the same period. Higher and lower quote was almost same. Wheat has been imported from Australia and landed at Cochin Sea

**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 1<sup>st</sup> 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 15<sup>th</sup> 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 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.

**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 exports.

**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.

<b>Wheat Futures Contact: NCDEX Price</b>							<b>Date: 06.01.2016</b>		
<b>Contract Month</b>	<b>Ch from previous day</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Vol</b>	<b>Ch. From previous day</b>	<b>OI</b>	<b>Ch. From previous day</b>
<b>16-Jan</b>	3	1676.00	1681.00	1673.00	1681.00	180	-40	1200	-80
<b>16-Feb</b>	6	1704.00	1705.00	1704.00	1705	20	-10	210	-5
<b>16-Mar</b>	00	1670	1670	1670	1670				

Spread	Jan-16	Feb-16	Mar-16	Apr-16
Spot Narela				
16-Jan	14			
16-Feb		24		
16-Mar			-	

Stocks	Demat	In- Process	Total	FED
	05-Jan-16	05-Jan-16	05-Jan-16	04-Jan-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1460	0	1460	1460
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 06.01.2016**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Jan-16	5-Jan-16	
Delhi					
	Lawrence Road	Mill Delivery	1695	1695	Unch
	Narella	Mill Quality Loose	Closed	1630	-
	Nazafgarh	Mill Quality Loose	Closed	1630	-
Gujarat	Rajkot	Mill Delivery	1700	NA	-
	Ahmedabad	Mill Delivery	1750	NA	-
	Dhrol	Mill Quality Loose	NA	2050	-
	Surat	Mill Delivery	1770	NA	-
M.P.	Bhopal	Mill Quality Loose	1570	1560	10
	Indore	Mill Delivery	1690	1690	Unch
Rajasthan	Kota	Mill Quality Loose	1600	1600	Unch
		Mill Delivery	1690	1690	Unch
U.P.	Kanpur	Mill Delivery	1570	1575	-5
	Mathura	Mill Quality Loose	1600	1600	Unch
	Kosi	Mill Quality Loose	1650	1675	-25
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	Closed	NR	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1550	1550	Unch
	Hodal	Mill Delivery	1705	1710	-5
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1700	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1850	1850	Unch
	Madurai	Mill Quality	1907	1907	Unch
	Coimbatore	Mill Quality	1907	1907	Unch
Bihar	Sitamari	Mill Delivery	1610	1615	-5

	Khagariya	Mill Delivery	1750	1750	<b>Unch</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>Gujarat</b>			<b>6-Jan-16</b>	<b>5-Jan-16</b>	
	Rajkot	Lokwan	2100	NR	-
	Dhrol	Lokwan	NA	1880	-
<b>M.P.</b>	Indore	Lokwan	2000	2000	<b>Unch</b>
	Bhopal	Lokwan	1800	1700	<b>100</b>
	Bina	Sarbati 306	NR	NR	-
<b>Rajasthan</b>	Kota	LokwanBilty	1800	1800	<b>Unch</b>
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
<b>Delhi</b>			<b>6-Jan-16</b>	<b>5-Jan-16</b>	
	Lawrence Road	Mill Delivery	2000	1200	<b>800</b>
	Narella	Mill Quality Loose	Closed	300	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	600	NR	-
	Dhrol	Mill Quality Loose	NA	4	-
<b>M.P.</b>	Indore	Mill Quality Loose	1500	1500	<b>Unch</b>
	Kota	Mill Quality	4000	4000	<b>Unch</b>
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	500	<b>Unch</b>
	Mathura	Mill Quality Loose	60	50	<b>10</b>
	Kosi	Mill Quality Loose	250	250	<b>Unch</b>
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	Closed	NR	-
<b>Punjab</b>	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	200	<b>Unch</b>
	Hodal	Mill Quality Loose	50	50	<b>Unch</b>
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	100	NR	-

Wheat Products Delhi	6-Jan-16	5-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: 5.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	460.25	464.75	458.50	461.25	3.00
16-May	466.50	470.50	464.50	466.75	2.25
16-Jul	474.75	477.75	472.25	474.25	2.00
16-Sep	483.25	487.00	482.00	484.00	2.00
16-Dec	498.50	501.50	496.75	498.25	1.75
17-Mar	509.75	512.00	509.50	510.50	1.50

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