

Wheat Domestic Fundamentals:

Overall wheat cash market traded steady to weak on Saturday.

Agriwatch has revised wheat production estimate down by 3.62 MMT to 85.32 MMT for 2016-17 MY starting from April-2016. Crop size may be revised down further if weather turns unfavourable in March –April once again like last year. Carryout for 2016-17 would decrease from 13.99 to 5.81 MMT, the lowest in a decade.

At export front, opportunity for Indian wheat exporters is not favourable due to cheaper availability of wheat in the global market. Price difference is wider, around \$50/55 per tonne. Russia, Australia and Argentina are offering wheat at \$190 to \$205 per tonne on FoB basis. Against it, India FoB quotes at current price come to \$152/155 per tonne when it is sourced from Saurashtra Region Of Gujarat.

India exported 528.24 tonne wheat during week ended 3rd 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 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.

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 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 range bound with firm bias likely to continue..*

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

Stocks	Demat	In- Process	Total	FED
	08-Jan-16	08-Jan-16	08-Jan-16	04-Jan-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1460	0	1460	1460
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 09.01.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jan-16	8-Jan-16	
Delhi	Lawrence Road	Mill Delivery	1695	NR	-
	Narella	Mill Quality Loose	1635	NR	-
	Nazafgarh	Mill Quality Loose	1635	NR	-
	Rajkot	Mill Delivery	NR	1710	-
Gujarat	Ahmedabad	Mill Delivery	NR	1750	-
	Dhrol	Mill Quality Loose	NR	1995	-
	Surat	Mill Delivery	NR	1780	-
	Bhopal	Mill Quality Loose	1600	1600	Unch
M.P.	Indore	Mill Delivery	1690	1690	Unch
	Kota	Mill Quality Loose	Closed	1610	-
Rajasthan		Mill Delivery	Closed	1680	-
U.P.	Kanpur	Mill Delivery	1570	1570	Unch
	Mathura	Mill Quality Loose	1675	1670	5
	Kosi	Mill Quality Loose	1590	1600	-10
	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	1560	-10
	Hodal	Mill Delivery	1705	1705	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1625	1650	-25
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	1850	-
	Madurai	Mill Quality	Closed	1907	-
	Coimbatore	Mill Quality	Closed	1907	-
Bihar	Sitamari	Mill Delivery	Closed	1620	-
	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			9-Jan-16	8-Jan-16	
	Rajkot	Lokwan	NR	2100	-
	Dhrol	Lokwan	NR	1765	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	Closed	2600	-
Rajasthan	Kota	Lokwan Bilty	Closed	1800	-
	Baran	Lokwan	Closed	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			9-Jan-16	8-Jan-16	
	Lawrence Road	Mill Delivery	1500	NR	-
	Narella	Mill Quality Loose	400	NR	-
	Nazafgarh	Mill Quality Loose	60	NR	-
Gujarat	Rajkot	Mill Quality Loose	NR	600	-
	Dhrol	Mill Quality Loose	NR	20	-
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	Closed	4000	-
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	100	60	40
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	50	50	Unch
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	100	100
	Hodal	Mill Quality Loose	100	100	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	50	50	Unch

Wheat Products Delhi	9-Jan-16	8-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: 8.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	468.25	480.00	467.50	478.50	10.00
16-May	473.25	484.75	473.25	483.75	10.50
16-Jul	480.50	491.00	479.50	490.25	9.75
16-Sep	490.00	500.50	490.00	499.75	9.75
16-Dec	505.00	514.00	504.50	513.50	9.00
17-Mar	519.50	525.00	519.50	525.00	8.75

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