

Wheat Domestic Fundamentals:

Wheat cash market trades firm despite recovery at area front and higher supply from central pool and private trade. Market is likely to trade steady to slightly weak in the short term. However, overall tone remains firm due to likely shortfall in production and late harvesting. Weather too remains unpredictable and temperature in March, April would be crucial once again for the final size of the standing crop.

Overall wheat area coverage was registered at 281.7 lakh ha, lower by 5.89 % from last year till 8th January. All India wheat coverage was registered at 299.33 lakh ha last year. Gujarat, Uttar Pradesh, Madhya Pradesh and Maharashtra lag behind considerably so far. The sowing season has entered in last phase and no recovery is expected now.

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

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.

Wheat crop condition in Argentina is better than normal expectation this year. Buenos Aires Grains Exchange new forecast points 10.1 MMT production in 2016, higher by 0.6 MMT from previous estimate. Export volume too is bound to increase this year as devaluation of Peso has increased competitiveness for local exporters in global market. Limitation on export has been removed now. Export tax too has been done away. Situation at export front is favorable for Argentina now.

Domestic market Outlook: Wheat cash market is likely trade range bound with firm bias likely to continue.

Wheat Futures Contact: NCDEX Price							Date: 12.01.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Jan	21	1644.00	1665.00	1622.00	1665.00	60	-40	290	-180
16-Feb	-15	1681.00	1681.00	1666.00	1674	220	30	600	70
16-Mar	-64	1734	1670	1670	1670	20		60	

Spread	Jan-16	Feb-16	Mar-16	Apr-16
Spot Narela				
16-Jan	35			
16-Feb		11		
16-Mar			-	

Stocks	Demat	In- Process	Total	FED
	12-Jan-16	12-Jan-16	12-Jan-16	12-Jan-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1460	0	1460	1460
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 12.01.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			12-Jan-16	11-Jan-16	
Delhi	Lawrence Road	Mill Delivery	1695	1695	Unch
	Narella	Mill Quality Loose	1630	1625	5
	Nazafgarh	Mill Quality Loose	1635	1635	Unch
Gujarat	Rajkot	Mill Delivery	1720	1721	-1
	Ahmedabad	Mill Delivery	1770	1765	5
	Dhrol	Mill Quality Loose	1975	1875	100
	Surat	Mill Delivery	1800	1800	Unch
M.P.	Bhopal	Mill Quality Loose	1570	1590	-20
	Indore	Mill Delivery	1600	1600	Unch
Rajasthan	Kota	Mill Quality Loose	1615	1615	Unch
		Mill Delivery	1700	1700	Unch
U.P.	Kanpur	Mill Delivery	1570	1570	Unch
	Mathura	Mill Quality Loose	NR	NR	-
	Kosi	Mill Quality Loose	NR	1625	-
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	NR	1550	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1570	1550	20
	Hodal	Mill Delivery	1705	1705	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	NR	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	1620	1610	10
	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			12-Jan-16	11-Jan-16	
	Rajkot	Lokwan	2150	2150	Unch
	Dhrol	Lokwan	1760	1715	45
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	2600	2600	Unch
Rajasthan	Kota	Lokwan Bilty	1800	1800	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			12-Jan-16	11-Jan-16	
	Lawrence Road	Mill Delivery	1200	1000	200
	Narella	Mill Quality Loose	250	300	-50
	Nazafgarh	Mill Quality Loose	50	60	-10
Gujarat	Rajkot	Mill Quality Loose	900	700	200
	Dhrol	Mill Quality Loose	3	4	-1
M.P.	Indore	Mill Quality Loose	2000	1500	500
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	NR	NR	-
	Kosi	Mill Quality Loose	NR	400	-
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	NR	50	-
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	50	100	-50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	NR	NR	-

Wheat Products Delhi			12-Jan-16	11-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: 11.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	473.75	475.00	459.50	462.25	-10.50
16-May	482.75	484.25	469.75	472.25	-10.25
16-Jul	494.25	494.75	479.25	482.00	-10.25
16-Sep	504.50	505.00	492.75	495.75	-10.00
16-Dec	526.25	526.25	512.50	514.75	-10.75
17-Mar	538.00	538.50	527.00	529.50	-10.50

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