

Wheat Domestic Fundamentals:

Supply is bound to increase now as FCI is planning to offload excess stock of wheat in next two and a half months till March-2016. Wheat would be sold in open market and it will depress prevailing market price as supply in the open market is bound to increase in Jan, Feb and March this year. The Food Corporation of India (FCI) has so far sold close to 41 lakh tonnes of wheat in the current year. Total sale in current fiscal year is expected to reach at 65 lakh tonne and average price may be realised Rs 1605 per qtl. Last year FCI had sold wheat At an average price of RS 1602 per qtl.

As on January 1, the FCI's wheat stock was registered at 240 lakh tonnes, up by 74% as against the 138 lakh tonnes required as per the buffer stocking norms on the same date. Higher availability in open market would restrict firm trend in wheat. Overall availability would be ample to take care of lean season demand.

Wheat area coverage was registered at 281.7 lakh ha as on 8th Jan, 2016, lower by 5.89 % from last year covered in the corresponding time. India had covered 299.33 lakh ha area on 8th January, 2015. As planting season is almost over now, slight increase is expected now and it may end up with 29 million ha this year.

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.

India exported 519.05 tonne wheat during week ending 10th January-2016 at an ave price of \$311.39 per tonne. Export volume remains weak due to disparity and there is no hope for any recovery in the short to medium term. There was no import registered last week despite weak international market. Current season will end in March and by then Indian import volume is expected to reach 7 lakh tonne. So far around 5 lakh tonne wheat has been imported. Season may end up with 2 to 3 lakh tonne export..

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.

Russian wheat prices fell from \$191 to \$184 in last one week due to weaker local currency and declining global wheat price. The Russian rouble continued to fall against the dollar since the start of the year along with crude oil, which dropped to a new 12-year low on concerns about China's economy. Pressure on wheat price may continue in the weeks ahead. Lower wheat price in Russia would enable Russia to export more volume.

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: 13.01.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Jan	19	1657.00	1657.00	1657.00	1657.00	20	-40	190	-100
16-Feb	6	1681.00	1682.00	1675.00	1681.00	260	30	790	190
16-Mar						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 13.01.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			13-Jan-16	12-Jan-16	
Delhi	Lawrence Road	Mill Delivery	1695	1695	Unch
	Narella	Mill Quality Loose	Closed	1630	-
	Nazafgarh	Mill Quality Loose	Closed	1635	-
Gujarat	Rajkot	Mill Delivery	1720	1720	Unch
	Ahmedabad	Mill Delivery	1770	1770	Unch
	Dhrol	Mill Quality Loose	1975	1975	Unch
	Surat	Mill Delivery	1800	1800	Unch
M.P.	Bhopal	Mill Quality Loose	1570	1570	Unch
	Indore	Mill Delivery	1685	1685	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	1690	NR	-
	Kosi	Mill Quality Loose	1650	NR	-
	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	1570	1570	Unch
	Hodal	Mill Delivery	NR	1705	-
	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	1615	1620	-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
			13-Jan-16	12-Jan-16	
Gujarat					
	Rajkot	Lokwan	2150	2150	Unch
	Dhrol	Lokwan	NR	1760	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	Closed	2600	-
Rajasthan	Kota	Lokwan Bilty	1800	1800	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Jan-16	12-Jan-16	
Delhi					
	Lawrence Road	Mill Delivery	1000	1200	-200
	Narella	Mill Quality Loose	Closed	250	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	900	900	Unch
	Dhrol	Mill Quality Loose	NR	3	-
M.P.	Indore	Mill Quality Loose	800	2000	-1200
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	150	NR	-
	Kosi	Mill Quality Loose	200	NR	-
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	Closed	NR	-
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	NR	50	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	NR	NR	-

Wheat Products Delhi			13-Jan-16	12-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: 12.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	470.25	483.25	462.50	481.25	12.25
16-May	474.75	488.00	468.00	486.50	12.00
16-Jul	481.75	494.25	475.00	492.75	11.75
16-Sep	488.25	502.75	485.25	501.25	10.75
16-Dec	504.00	516.25	499.25	514.50	10.50
17-Mar	515.00	528.00	512.25	526.25	10.25

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