

**Wheat Domestic Fundamentals:**

**Wheat cash market traded steady on Thursday. 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.

<b>Wheat Futures Contact: NCDEX Price</b>							<b>Date: 14.01.2016</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>	0.00	1657.00	1657.00	1657.00	1657.00	20	0	190	0
<b>16-Feb</b>	+2.00	1681.00	1684.00	1674.00	1682.00	120	-140	820	30
<b>16-Mar</b>	0.00	1670.00	1670.00	1670.00	1670.00	0	-20	70	10

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

Stocks	Demat	In- Process	Total	FED
	13-Jan-16	13-Jan-16	13-Jan-16	12-Jan-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1510	0	1510	1460
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 14.01.2016**

	Market	Variety	Prices (Rs/Qtl)		Change
			14-Jan-16	13-Jan-16	
Delhi					
	Lawrence Road	Mill Delivery	NR	1695	-
	Narella	Mill Quality Loose	NR	Closed	-
	Nazafgarh	Mill Quality Loose	NR	Closed	-
Gujarat	Rajkot	Mill Delivery	NR	1720	-
	Ahmedabad	Mill Delivery	NR	1770	-
	Dhrol	Mill Quality Loose	NR	1975	-
	Surat	Mill Delivery	NR	1800	-
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	1430	1570	-140
	Mathura	Mill Quality Loose	1690	1690	Unch
	Kosi	Mill Quality Loose	Closed	1650	-
	Hathras	Mill Quality Loose	1560	NR	-
	Aligarh	Mill Quality Loose	NA	Closed	-
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	NR	-
	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	1615	5
	Khagariya	Mill Delivery	1750	1750	Unch

<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>14-Jan-16</b>	<b>13-Jan-16</b>	
	Rajkot	Lokwan	NR	2150	-
	Dhrol	Lokwan	NR	NR	-
<b>M.P.</b>	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1800	1800	Unch
	Bina	Sarbati 306	2600	Closed	-
<b>Rajasthan</b>	Kota	Lokwan Bilty	1800	1800	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
<b>Delhi</b>			<b>14-Jan-16</b>	<b>13-Jan-16</b>	
	Lawrence Road	Mill Delivery	NR	1000	-
	Narella	Mill Quality Loose	NR	Closed	-
	Nazafgarh	Mill Quality Loose	NR	Closed	-
<b>Gujarat</b>	Rajkot	Mill Quality Loose	NR	900	-
	Dhrol	Mill Quality Loose	NR	NR	-
<b>M.P.</b>	Indore	Mill Quality Loose	1000	800	200
<b>Rajasthan</b>	Kota	Mill Quality	3000	3000	Unch
<b>U.P.</b>	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	Closed	200	-
	Hathras	Mill Quality Loose	150	NR	-
	Aligarh	Mill Quality Loose	NA	Closed	-
<b>Punjab</b>	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	NR	NR	-
	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: 13.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	480.50	484.25	476.50	478.00	-3.25
16-May	485.25	489.00	481.25	482.75	-3.75
16-Jul	491.50	494.75	487.50	489.00	-3.75
16-Sep	500.50	502.75	496.25	497.00	-4.25
16-Dec	513.50	515.00	508.50	510.00	-4.50
17-Mar	520.75	526.00	520.75	521.00	-5.25

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