

Wheat Domestic Fundamentals:

Wheat area coverage was registered at 288.98 lakh ha as on 15th Jan,2016, lower by 5 % from last year's coverage. India had covered 303.51 lakh ha area on 15th 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.

Cash wheat market stayed steady on increasing hope for higher supply from central pool stock. Area coverage too has recovered slightly, supported by cold weather considered to be beneficial to the standing crop. However, loss of area in M.P, Gujarat and Uttar Pradesh would reduce crop size considerably. Planting season is almost over now. Weather remains very crucial now. Farmers await rains in the growing belt. Recent rains are lower than normal expectation.

Supply is bound to increase in the remaining months of the current MY as FCI is planning to offload some of its excess stock of wheat in next two and a half months till March-2016. Wheat would be sold in open market and restrict firmness. 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 around Rs 1605 per qtl. for the year. 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.

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.

Domestic market Outlook: Wheat cash market is likely to trade steady to slightly firm.

Wheat Futures Contact: NCDEX Price							Date: 18.01.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Jan	-27	1630.00	1630.00	1630.00	1630.00	50	30	190	00
16-Feb	17	1688.00	1702.00	1688.00	1698.00	270	210	890	40
16-Mar	5	1690.00	1695.00	1689.00	1690.00	50	40	110	40

Spread	Jan-16	Feb-16	Mar-16	Apr-16
Spot Narela				
16-Jan	-2			
16-Feb		42		
16-Mar			-	

Stocks	Demat	In- Process	Total	FED
	16-Jan-16	16-Jan-16	16-Jan-16	12-Jan-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1510	50	1560	1460
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 18.01.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			18-Jan-16	16-Jan-16	
Delhi					
	Lawrence Road	Mill Delivery	1705	1700	5
	Narella	Mill Quality Loose	1640	1640	Unch
	Nazafgarh	Mill Quality Loose	1650	1640	10
Gujarat	Rajkot	Mill Delivery	1715	1730	-15
	Ahmedabad	Mill Delivery	1740	1760	-20
	Dhrol	Mill Quality Loose	2120	1925	195
	Surat	Mill Delivery	1770	1780	-10
M.P.	Bhopal	Mill Quality Loose	1550	1560	-10
	Indore	Mill Delivery	1640	NR	-
Rajasthan	Kota	Mill Quality Loose	1610	1615	-5
		Mill Delivery	1700	1700	Unch
U.P.	Kanpur	Mill Delivery	1570	1570	Unch
	Mathura	Mill Quality Loose	1700	1690	10
	Kosi	Mill Quality Loose	1640	1640	Unch
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	NA	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	1705	1705	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1600	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	NR	-
	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
			18-Jan-16	16-Jan-16	
Gujarat					
	Rajkot	Lokwan	2000	2100	-100
	Dhrol	Lokwan	1835	1760	75
M.P.	Indore	Lokwan	1900	NR	-
	Bhopal	Lokwan	1750	1750	Unch
	Bina	Sarbati 306	2600	NA	-
Rajasthan	Kota	Lokwan Bilty	1750	1800	-50
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Jan-16	16-Jan-16	
Delhi					
	Lawrence Road	Mill Delivery	1000	1200	-200
	Narella	Mill Quality Loose	200	250	-50
	Nazafgarh	Mill Quality Loose	50	50	Unch
Gujarat	Rajkot	Mill Quality Loose	900	700	200
	Dhrol	Mill Quality Loose	5	6	-1
M.P.	Indore	Mill Quality Loose	1500	NR	-
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	100	80	20
	Kosi	Mill Quality Loose	500	300	200
	Hathras	Mill Quality Loose	NR	NR	-
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	20	NR	-

Wheat Products Delhi			18-Jan-16	16-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)	703	728	-25
Chokar (34 kg)	490	502	-12
Chakki Atta (50kg)	950	950	Unch
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	1852	1897	-45
Chakki Atta (50kg) Superfine	NA	NA	-

Wheat (CBOT) Future Price: 15.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	468.75	474.50	465.00	473.75	5.00
16-May	474.75	479.50	470.50	478.50	4.25
16-Jul	480.00	485.25	476.50	484.50	4.00
16-Sep	489.00	493.25	485.50	493.00	3.75
16-Dec	502.75	507.25	499.50	506.75	4.00
17-Mar	513.00	517.25	510.75	517.25	3.75

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