

Wheat Domestic Fundamentals:

Mostly cash markets traded unchanged due to limited trading activities at the end of the week. Improved area coverage, cold wave in major wheat growing belts and likely rains have brightened production prospects. All these developments weigh on market fundamentals. Wheat prices may trade steady to slightly weak this week. New arrivals in M.P. too have weakened sentiments as crop quality is good and is being traded at Rs 1650 to 1850 per qtl. New arrival in Gujarat is expected from mid February.

All India average wholesale wheat price increased considerably by 1.44 % from Rs 1811.44 to Rs1837.57 per qtl. during the week ended 29th January-2016. Prices ruled 5.75 % higher from 4th week of January, 2015. Slight decrease is expected due to improved sowing status in Uttar Pradesh and decreasing temperature in other producing regions with likely light shower of rains expected next week in North India.

Wheat area coverage was registered at 292.51lakh ha as on 28th ,Jan,2016, lower by 4.39 % from last year's coverage. India had covered 305.94 lakh ha area on28th January,2015. As planting season is almost over now ,so this figure may be taken as final for this year planting.

Major setback has been seen in states like Gujarat, Madhya Pradesh and Maharashtra where it decreased by 20.55,11.29 and 27.94 % respectively. This year major shortfall is expected in these three states. However, area in Haryana and Rajasthan has improved by 0.84 & 7.04 % this year. Rains at this stage are very crucial. Overall, wheat production this year may cross previous year level if weather remains favorable in Feb & March-2016

Export and import continue in small quantity for various destinations. India exported 889.33 tonnes of wheat during week ended 32st January-2016..Average FoB quote realized last week was \$361.64 per tonne. As prices are ruling lower in global market export opportunity for Indian wheat exporters seems bleak.

As on January 1, the FCI's wheat stock was registered at 240 lakh tonnes,up by74% 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 up by around 5 MMT to 90.99 MMT for 2016-17 MY starting from April-2016. Carryout for 2016-17 would decrease from13.99 to 10.48 MMT, the lowest in a decade.

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 revised wheat production estimate up by 5MMT to731 MMT this month. Trade estimate too has been revised up by 1 MMT to 152 MMT. However, consumption estimate has been revised down by 1MMT to 719 MMT in the month of Jan 2016.Carryout stock has been revised up by5MMT down from 208to 213MMT.

Argentina has made its presence visible inSouth Korea and Vietnam by exporting wheat to these countries first time.Cheaper availability of wheat has enabled Argentina to grab opportunity in unusual markets. Around 20,000 T wheat has been brought by SK while 28,600 tonne has been shipped to Vietnam.

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

| Wheat Futures Contact: NCDEX Price | | | | | | | | Date:02.02.2016 | |
|------------------------------------|----------------------|---------|---------|---------|---------|-----|-----------------------|-----------------|-----------------------|
| Contract Month | Ch from previous day | Open | High | Low | Close | Vol | Ch. From previous day | OI | Ch. From previous day |
| 16-Feb | -31 | 1625.00 | 1638.00 | 1605.00 | 1605.00 | 330 | 250 | 1080 | 80 |
| 16-Mar | -17 | 1679.00 | 1679.00 | 1628.00 | 1628.00 | 70 | 60 | 120 | 100 |
| 16-Apr | -7 | 1570.00 | 1575.00 | 1568.00 | 1568.00 | 90 | 30 | 9500 | 90 |

| Spread | Feb-16 | Mar-16 | Apr-16 | May-16 |
|-------------|--------|--------|--------|--------|
| Spot Narela | | | | |
| 16-Feb | 50 | | | |
| 16-Mar | | 23 | - | |
| 16-Apr | | | 60 | |

| Stocks | Demat | In- Process | Total | FED |
|--------|-----------|-------------|-----------|-----------|
| | 01-Feb-16 | 01-Feb-16 | 01-Feb-16 | 01-Feb-16 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 1341 | 0 | 1341 | 1341 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 02.02.2016

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------|-------------------|---------------------|-----------------|-----------|--------|
| | | | 02-Feb-16 | 01-Feb-16 | |
| Delhi | Lawrence Road | Mill Delivery | 1700 | 1700 | Unch |
| | Narella | Mill Quality Loose | 1655 | 1660 | -5 |
| | Nazafgarh | Mill Quality Loose | 1660 | 1660 | Unch |
| Gujarat | Rajkot | Mill Delivery | 1675 | 1675 | Unch |
| | Ahmedabad | Mill Delivery | 1745 | 1740 | 5 |
| | Dhrol | Mill Quality Loose | 2200 | 1825 | 375 |
| | Surat | Mill Delivery | 1770 | 1765 | 5 |
| M.P. | Bhopal | Mill Quality Loose | 1550 | 1525 | 25 |
| | Indore | Mill Delivery | 1620 | 1620 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1570 | NR | - |
| | | Mill Delivery | 1670 | NR | - |
| U.P. | Kanpur | Mill Delivery | 1575 | 1575 | Unch |
| | Mathura | Mill Quality Loose | 1665 | 1675 | -10 |
| | Kosi | Mill Quality Loose | 1660 | 1650 | 10 |
| | Hathras | Mill Quality Loose | NR | NA | - |
| | Aligarh | Mill Quality Loose | Closed | NR | - |
| Punjab | Khanna | Mill Quality Loose | NA | NA | - |
| | (Ludhiana)Jagraon | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1580 | 1580 | Unch |
| | Hodal | Mill Delivery | 1705 | 1705 | Unch |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 1615 | 1630 | -15 |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 1800 | 1850 | -50 |
| | Madurai | Mill Quality | 1857 | 1907 | -50 |
| | Coimbatore | Mill Quality | 1857 | 1907 | -50 |

| | | | | | |
|--------------|------------------------------|---------------|------|------|-------------|
| Bihar | Sitamari | Mill Delivery | NR | 1630 | - |
| | Khagariya | Mill Delivery | 1650 | 1750 | -100 |
| FOR | Kandla(Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham(Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------------|--------|-------------|------------------|------------------|-------------|
| | | | 02-Feb-16 | 01-Feb-16 | |
| Gujarat | | | | | |
| | Rajkot | Lokwan | 2000 | 2000 | Unch |
| | Dhrol | Lokwan | 1850 | 1725 | 125 |
| M.P. | Indore | Lokwan | 2100 | 2100 | Unch |
| | Bhopal | Lokwan | 1700 | 1725 | -25 |
| | Bina | Sarbati 306 | 2500 | 2500 | Unch |
| Rajasthan | Kota | LokwanBilty | 1800 | NR | - |
| | Baran | Lokwan | NR | NR | - |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|------------------|-------------------|--------------------|---------------------|------------------|-------------|
| | | | 02-Feb-16 | 01-Feb-16 | |
| Delhi | | | | | |
| | Lawrence Road | Mill Delivery | NA | NA | - |
| | Narella | Mill Quality Loose | 200 | 200 | Unch |
| | Nazafgarh | Mill Quality Loose | 60 | 50 | 10 |
| Gujarat | Rajkot | Mill Quality Loose | 700 | 500 | 200 |
| | Dhrol | Mill Quality Loose | 4 | 3 | 1 |
| M.P. | Indore | Mill Quality Loose | 1000 | 1500 | -500 |
| Rajasthan | Kota | Mill Quality | 5000 | NR | - |
| U.P. | Kanpur | Mill Quality Loose | 400 | 400 | Unch |
| | Mathura | Mill Quality Loose | 100 | 150 | -50 |
| | Kosi | Mill Quality Loose | 500 | 400 | 100 |
| | Hathras | Mill Quality Loose | NR | NA | - |
| | Aligarh | Mill Quality Loose | Closed | NA | - |
| 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 | 70 | 50 | 20 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 500 | 500 | Unch |

| Wheat Products Delhi | 02-Feb-16 | 01-Feb-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 | 703 | Unch |
| Chokar (34 kg) | 508 | 508 | 18 |
| Chakki Atta (50kg) | 950 | 950 | Unch |
| Chakki Atta (50kg) Special | NA | NA | - |
| Chakki Atta (90kg) Superfine | NA | NA | - |
| Chakki Atta (50kg) Superfine | NA | NA | - |

| Wheat (CBOT) Future Price: 01.1.2016 | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 16-Mar | 476.25 | 477.00 | 471.25 | 475.25 | -4.00 |
| 16-May | 481.25 | 482.50 | 476.75 | 480.50 | -4.50 |
| 16-Jul | 487.25 | 488.00 | 482.25 | 485.75 | -4.75 |
| 16-Sep | 496.25 | 497.00 | 491.00 | 494.50 | -5.00 |
| 16-Dec | 509.00 | 509.50 | 504.50 | 507.75 | -5.00 |
| 17-Mar | 516.25 | 517.75 | 515.00 | 517.75 | -4.75 |

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