

Wheat Domestic Fundamentals:

Agriwatch has revised wheat production estimate up by 4.26 MMT from 85.32 MMT to 89.58 MMT for 2016-17 MY starting from April-2016. Temperature in Feb & March may affect yield where wheat has been sown late. Carryout for 2016-17 would decrease from 13.99 to 9.57 MMT, the lowest in a decade.

Wheat cash markets traded down by 2.26 % month on month basis in January-2016 due to improved area coverage, favourable weather conditions and beginning of new arrivals in M.P. and Gujarat. Overall area shortfall has come down to 4.38 percent now.

Sowing is almost over now and total coverage under wheat has been reported at 292.52 lakh ha against 305.94 lakh ha last year, lower by 13.42 lakh ha from last year. Shortfall of 13.42 lakh ha in area and delayed sowing of wheat in Uttar Pradesh, Rajasthan, Maharashtra would impact crop size by 35 to 45 lakh tonne from normal expectation. Temperature in Feb, March and April would be decisive factor for the final crop size in 2016.

Wheat area coverage was registered at 292.51 lakh ha as on 28th Jan, 2016, lower by 4.39 % from last year's coverage. India had covered 305.94 lakh ha area on 28th 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 31st 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 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.

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 to 731 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 by 5MMT down from 208 to 213 MMT.

Argentina has made its presence visible in South 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: 04.02.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Feb	10	1623.00	1623.00	1615.00	1620.00	50	140	1050	20
16-Mar	5	1611.00	1624.00	1611.00	1620.00	80	10	130	10
16-Apr	6	1568.00	1570.00	1568.00	1569.00	30	-100	980	-10

Spread	Feb-16	Mar-16	Apr-16	May-16
Spot Narela				
16-Feb	30			
16-Mar		0	-	
16-Apr			-49	

Stocks	Demat	In- Process	Total	FED
	03-Feb-16	03-Feb-16	03-Feb-16	01-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1341	0	1341	1341
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 04.02.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Feb-16	03-Feb-16	
Delhi	Lawrence Road	Mill Delivery	1700	1700	Unch
	Narella	Mill Quality Loose	1650	Closed	-
	Nazafgarh	Mill Quality Loose	1650	Closed	-
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1725	1730	-5
	Dhrol	Mill Quality Loose	2070	2000	70
	Surat	Mill Delivery	1755	1760	-5
M.P.	Bhopal	Mill Quality Loose	1525	1525	Unch
	Indore	Mill Delivery	NR	1620	-
Rajasthan	Kota	Mill Quality Loose	1570	1570	Unch
		Mill Delivery	1670	1670	Unch
U.P.	Kanpur	Mill Delivery	1575	1575	Unch
	Mathura	Mill Quality Loose	1650	1675	-25
	Kosi	Mill Quality Loose	1645	1650	-5
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NR	1630	-
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	1620	-5
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1800	1800	Unch
	Madurai	Mill Quality	1857	1857	Unch
	Coimbatore	Mill Quality	1857	1857	Unch

Bihar	Sitamari	Mill Delivery	1620	NR	-
	Khagariya	Mill Delivery	1700	1650	50
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			04-Feb-16	03-Feb-16	
Gujarat					
	Rajkot	Lokwan	2000	2000	Unch
	Dhrol	Lokwan	1780	1740	40
M.P.	Indore	Lokwan	NR	2100	-
	Bhopal	Lokwan	1700	1700	Unch
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	LokwanBilty	1800	1800	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			04-Feb-16	03-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	3	8	-5
M.P.	Indore	Mill Quality Loose	NR	2000	-
Rajasthan	Kota	Mill Quality	2800	2800	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	200	150	50
	Kosi	Mill Quality Loose	200	500	-300
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NR	1700	-
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	25	50	-25
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	500	600	-100

Wheat Products Delhi	04-Feb-16	03-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: 03.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	475.75	480.50	474.50	480.00	4.75
16-May	480.25	484.00	479.00	483.75	3.75
16-Jul	485.50	488.75	484.00	488.25	3.00
16-Sep	494.25	497.00	492.75	496.50	2.75
16-Dec	507.50	510.75	506.50	510.00	2.75
17-Mar	517.00	519.75	516.00	519.75	3.00

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