

Wheat Domestic Fundamentals:

Wheat cash market may trade range bound with weak bias likely to continue. Demand –supply side is almost balanced and improved area coverage with good weather has boosted up production prospects.

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 to trade steady to slightly weak.

Wheat Futures Contact: NCDEX Price								Date: 05.02.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Feb	-5	1616.00	1616.00	1604.00	1615.00	90	140	1040	-10
16-Mar	-11	1620.00	1616.00	1609.00	1609.00	-20	10	140	10
16-Apr	5	1570.00	1574.00	1568.00	1574.00	40	-10	110	-710

Spread	Feb-16	Mar-16	Apr-16	May-16
Spot Narela				
16-Feb	25			
16-Mar		-7	-	
16-Apr			-35	

Stocks	Demat	In- Process	Total	FED
	04-Feb-16	04-Feb-16	04-Feb-16	01-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1341	0	1341	1341
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 05.02.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05-Feb-16	04-Feb-16	
Delhi	Lawrence Road	Mill Delivery	1700	1700	Unch
	Narella	Mill Quality Loose	1640	1650	-10
	Nazafgarh	Mill Quality Loose	NR	1650	-
Gujarat	Rajkot	Mill Delivery	1660	1670	-10
	Ahmedabad	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	2000	2070	-70
	Surat	Mill Delivery	1750	1755	-5
M.P.	Bhopal	Mill Quality Loose	1540	1525	15
	Indore	Mill Delivery	1600	NR	-
Rajasthan	Kota	Mill Quality Loose	1560	1570	-10
		Mill Delivery	1670	1670	Unch
U.P.	Kanpur	Mill Delivery	1575	1575	Unch
	Mathura	Mill Quality Loose	1625	1650	-25
	Kosi	Mill Quality Loose	1650	1645	5
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	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	NR	1705	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1610	1615	-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	1625	1620	5
	Khagariya	Mill Delivery	1700	1700	Unch
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

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

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			05-Feb-16	04-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	500	300	200
	Nazafgarh	Mill Quality Loose	NR	100	-
Gujarat	Rajkot	Mill Quality Loose	500	500	Unch
	Dhrol	Mill Quality Loose	5	3	2
M.P.	Indore	Mill Quality Loose	1550	NR	-
Rajasthan	Kota	Mill Quality	4000	2800	1200
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	150	200	-50
	Kosi	Mill Quality Loose	200	200	Unch
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	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	25	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	400	500	-100

Wheat Products Delhi	05-Feb-16	04-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: 04.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	468.0	471.5	459.3	459.8	-8.8
16-May	478.0	481.0	469.0	469.8	-8.8
16-Jul	488.3	490.8	479.0	479.8	-8.8
16-Sep	503.3	503.8	493.0	493.5	-8.8
16-Dec	521.8	523.5	512.8	513.0	-9.0
17-Mar	532.5	532.5	526.3	526.5	-8.8

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2016 Indian Agribusiness Systems Pvt Ltd.