

### Wheat Domestic Fundamentals:

**Wheat cash market may trades mixed amid normal supply demand side.** New wheat in M.P starts and is being traded at Rs 1650 to Rs 1800 per qtl. Quality of crop is good. New crop in Gujarat is expected by the end of this month. Weather remains favorable so far. In M.P total 3500 bags arrival was reported. Market may trade steady to slightly firm as arrival pressure may be felt from mid April in other states as sowing got delayed by 15 days this year.

**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.

**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.

**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.

**Grain agency of Algeria OAIC has brought around 5 lakh tonne milling wheat through** tender in the beginning of February-2016. The deal has been struck at \$178 per tonne on CiF basis. The origin of wheat is France. Some wheat has been purchased from UK too. As prices are ruling lower, so exporters have limited selling. Delivery of this deal is due in April and May.

**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.

Wheat Futures Contact: NCDEX Price								Date: 08.02.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Feb	-9	1611.00	1614.00	1601.00	1602.00	90	140	1040	-10
16-Mar	-2	1612.00	1616.00	1610.00	1610.00	-20	10	140	10
16-Apr	8	1572.00	1580.00	1572.00	1580.00	40	-10	110	-710

Spread	Feb-16	Mar-16	Apr-16	May-16
Spot Narela				
16-Feb	48			
16-Mar		-8	-	
16-Apr			-30	

Stocks	Demat	In- Process	Total	FED
	06-Feb-16	06-Feb-16	06-Feb-16	01-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1341	0	1341	1341
Rajkot	-	-	-	-

**Wheat Daily Prices and Arrivals on 08.02.2016**

	Market	Variety	Prices (Rs/Qtl)		Change
			8-Feb-16	06-Feb-16	
<b>Delhi</b>					
	Lawrence Road	Mill Delivery	1705	1705	Unch
	Narella	Mill Quality Loose	1650	NA	-
	Nazafgarh	Mill Quality Loose	1650	1650	Unch
<b>Gujarat</b>	Rajkot	Mill Delivery	1670	1650	20
	Ahmedabad	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	NA	NA	-
	Surat	Mill Delivery	1750	1750	Unch
<b>M.P.</b>	Bhopal	Mill Quality Loose	Closed	1550	-
	Indore	Mill Delivery	Closed	1600	-
<b>Rajasthan</b>	Kota	Mill Quality Loose	Closed	1560	-
		Mill Delivery	Closed	1650	-
<b>U.P.</b>	Kanpur	Mill Delivery	1580	1575	5
	Mathura	Mill Quality Loose	1650	1625	25
	Kosi	Mill Quality Loose	1655	1655	Unch
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	1620	1620	Unch
<b>Punjab</b>	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Delivery loose	1575	1580	-5
	Hodal	Mill Delivery	1705	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1620	1615	5
	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	Closed	1850	-
	Madurai	Mill Quality	Closed	1907	-
	Coimbatore	Mill Quality	Closed	1907	-
<b>Bihar</b>	Sitamari	Mill Delivery	1620	1625	-5
	Khagariya	Mill Delivery	1700	1700	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>8-Feb-16</b>	<b>6-Feb-16</b>	
	Rajkot	Lokwan	Closed	2000	-
	Dhrol	Lokwan	NA	NA	-
<b>M.P.</b>	Indore	Lokwan	Closed	2100	-
	Bhopal	Lokwan	Closed	1700	-
	Bina	Sarbati 306	Closed	2500	-
<b>Rajasthan</b>	Kota	LokwanBilty	Closed	1800	-
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
<b>Delhi</b>			<b>8-Feb-16</b>	<b>6-Feb-16</b>	
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	300	NA	-
	Nazafgarh	Mill Quality Loose	80	60	20
<b>Gujarat</b>	Rajkot	Mill Quality Loose	Closed	NA	-
	Dhrol	Mill Quality Loose	NR	NA	-
<b>M.P.</b>	Indore	Mill Quality Loose	Closed	1550	-
<b>Rajasthan</b>	Kota	Mill Quality	Closed	3000	-
<b>U.P.</b>	Kanpur	Mill Quality Loose	200	500	-300
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	200	250	-50
	Hathras	Mill Quality Loose	NR	NA	-
	Aligarh	Mill Quality Loose	2000	1000	1000
<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	100	NA	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	500	500	Unch

Wheat Products Delhi			8-Feb-16	6-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	Unch
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: 05.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	473.8	474.0	465.5	466.8	-6.0
16-May	476.5	477.8	470.0	470.5	-6.3
16-Jul	481.3	482.5	475.3	475.8	-6.0
16-Sep	491.0	491.5	484.0	484.3	-5.5
16-Dec	504.3	504.3	498.0	498.3	-5.3
17-Mar	514.0	514.3	509.0	509.3	-4.5

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