

Wheat Domestic Fundamentals:

Cash market trades weak due to sluggish demand from local millers and improved prospects of wheat production. 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 3800 bags arrival was reported. Market may trade steady to slightly weak. Arrival pressure may be felt from mid April in other states as sowing got delayed by 15 days this year.

India exported 529.03 tonnes of wheat during week ended 7th Feb -2016..Average FoB quote realized last week was \$325.17 per tonne. As prices are ruling lower in global market export opportunity for Indian wheat exporters seems bleak. There was no import during week ended 7th feb-2016.

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

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: 09.02.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Feb	-27	1601.00	1604.00	1578.00	1579.00	260	170	1050	-10
16-Mar	--14	1619.00	1624.00	1598.00	1600.00	150	130	210	-90
16-Apr	-16	1575.00	1575.00	1560.00	1561.00	50	10	1010	-810

Spread	Feb-16	Mar-16	Apr-16	May-16
Spot Narela				
16-Feb	71			
16-Mar		21	-	
16-Apr			-39	

Stocks	Demat	In- Process	Total	FED
	08-Feb-16	08-Feb-16	08-Feb-16	08-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1341	0	1341	1341
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 09.02.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			9-Feb-16	08-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	1700	1705	-5
	Narella	Mill Quality Loose	1650	1650	Unch
Gujarat	Nazafgarh	Mill Quality Loose	1650	1650	Unch
	Rajkot	Mill Delivery	1660	1670	-10
	Ahmedabad	Mill Delivery	1725	1725	Unch
	Dhrol	Mill Quality Loose	NR	NA	-
M.P.	Surat	Mill Delivery	1760	1750	10
	Bhopal	Mill Quality Loose	1550	Closed	-
	Indore	Mill Delivery	1630	Closed	-
Rajasthan	Kota	Mill Quality Loose	1550	Closed	-
		Mill Delivery	1640	Closed	-
U.P.	Kanpur	Mill Delivery	1575	1580	-5
	Mathura	Mill Quality Loose	1625	1650	-25
	Kosi	Mill Quality Loose	1660	1655	5
	Hathras	Mill Quality Loose	1690	NR	-
	Aligarh	Mill Quality Loose	NA	1620	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1600	1575	25
	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	1850	Closed	-
	Madurai	Mill Quality	1907	Closed	-
	Coimbatore	Mill Quality	1907	Closed	-
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
Gujarat			9-Feb-16	8-Feb-16	
	Rajkot	Lokwan	Closed	Closed	-
	Dhrol	Lokwan	NR	NA	-
M.P.	Indore	Lokwan	2100	Closed	-
	Bhopal	Lokwan	1700	Closed	-
	Bina	Sarbati 306	2500	Closed	-
Rajasthan	Kota	LokwanBilty	1750	Closed	-
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
Delhi			9-Feb-16	8-Feb-16	
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	350	300	50
	Nazafgarh	Mill Quality Loose	100	80	20
Gujarat	Rajkot	Mill Quality Loose	Closed	Closed	-
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	2000	Closed	-
Rajasthan	Kota	Mill Quality	4000	Closed	-
U.P.	Kanpur	Mill Quality Loose	400	200	200
	Mathura	Mill Quality Loose	125	150	-25
	Kosi	Mill Quality Loose	350	200	150
	Hathras	Mill Quality Loose	900	NR	-
	Aligarh	Mill Quality Loose	NA	2000	-
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	30	100	-70
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	400	500	-100

Wheat Products Delhi			9-Feb-16	8-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: 08.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	466.00	468.75	457.50	458.50	-8.25
16-May	470.00	472.00	462.00	463.00	-7.50
16-Jul	475.00	477.00	467.25	468.25	-7.50
16-Sep	484.25	485.25	476.25	477.00	-7.25
16-Dec	498.25	499.50	489.75	491.00	-7.25
17-Mar	508.75	508.75	501.75	501.75	-7.50

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