

Wheat Domestic Fundamentals:

The govt sets wheat procurement target at 30MMT for RMS 2016-17, almost same as last year. It was decided to procure 300 lakh tons (lt) of wheat during RMS 2016-17. The actual procurement of wheat during RMS 2015-16 was 280.88 lt, inspite of wheat crop getting affected due to untimely rains and hailstorms during last March-April.

The State-wise break-up of the target of wheat procurement during this Rabi 2016-17 is as follows: Punjab will buy 110 lt, Madhya Pradesh 68 lt, Haryana 65 lt, Uttar Pradesh 30 lt, Rajasthan 18 lt, Bihar 7 lt, Uttarakhand 1 lt, Gujarat 0.85 lt and other States 0.15 lt.

Yellow rust has started affecting wheat crop in Punjab and Haryana and sending alarm bells ringing in the agriculture department. Round-the-clock monitoring is being done by the department to check the spread of the disease. Nearly 40 percent of a total of about 33 lakh hectares of wheat crop in the state is vulnerable to the deadly disease as per state agriculture department.

The ongoing weather conditions, particularly the maximum day temperature hovering around 22 degrees and night temperatures between six and 12 degrees are ideal conditions for proliferation of the fungal disease.

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.

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:

As per USDA, U.S wheat exports at 3,76,500 MT (for the period 29th Jan- 4th Feb, 2016) were up 64 percent from the previous week and 11 percent from the prior 4-week average. The primary destinations were Japan (71,100 MT), Mexico (59,800 MT), Taiwan (55,000 MT), Yemen (43,600 MT), Guatemala (30,700 MT), and the Philippines (27,500 MT).

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.

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

Wheat Futures Contact: NCDEX Price								Date: 16.02.2016	
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Feb	10.00	1551.00	1565.00	1561.00	1561.00	20	0	40	-420
16-Mar	0.00	1590.00	1598.00	1590.00	1590.00	20	-70	520	0
16-Apr	3.00	1574.00	1575.00	1563.00	1570.00	120	-210	2135	220

Spread	Feb-16	Mar-16	Apr-16	May-16
Spot Narela				
16-Feb	-89			
16-Mar		29	-	
16-Apr			-20	

Stocks	Demat	In- Process	Total	FED
	15-Feb-16	15-Feb-16	15-Feb-16	15-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1341	0	1341	1341
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 16.02.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			16-Feb-16	15-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	1700	1700	Unch
	Narella	Mill Quality Loose	1640	1650	-10
	Nazafgarh	Mill Quality Loose	1650	1650	Unch
Gujarat	Rajkot	Mill Delivery	1670	1665	5
	Ahmedabad	Mill Delivery	1740	1735	5
	Dhrol	Mill Quality Loose	1900	1965	-65
	Surat	Mill Delivery	1765	1760	5
M.P.	Bhopal	Mill Quality Loose	1540	1550	-10
	Indore	Mill Delivery	1620	1625	-5
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1625	1625	Unch
U.P.	Kanpur	Mill Delivery	1580	1580	Unch
	Mathura	Mill Quality Loose	1660	1660	Unch
	Kosi	Mill Quality Loose	1650	1645	5
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1600	1600	Unch
	Hodal	Mill Delivery	1705	1705	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1650	1650	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1850	1850	Unch
	Madurai	Mill Quality	1907	1907	Unch
	Coimbatore	Mill Quality	1907	1907	Unch
Bihar	Sitamari	Mill Delivery	1625	1625	Unch
	Khagariya	Mill Delivery	1800	1750	50

FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-Feb-16	15-Feb-16	
Gujarat					
	Rajkot	Lokwan	1900	1900	Unch
	Dhrol	Lokwan	1700	1735	-35
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1650	50
	Bina	Sarbati 306	2350	2300	50
Rajasthan	Kota	LokwanBilty	1750	1800	-50
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			16-Feb-16	15-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	400	600	-200
	Nazafgarh	Mill Quality Loose	40	50	-10
Gujarat	Rajkot	Mill Quality Loose	600	800	-200
	Dhrol	Mill Quality Loose	1	4	-3
M.P.	Indore	Mill Quality Loose	4500	700	3800
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	300	400	-100
	Mathura	Mill Quality Loose	60	60	Unch
	Kosi	Mill Quality Loose	300	350	-50
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	NA	-
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	50	100	-50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	200	300	-100

Wheat Products Delhi			16-Feb-16	15-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)	481	508	-27
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: 15.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	458.75	462.00	455.00	457.50	-0.75
16-May	463.50	466.75	460.50	462.50	-1.00
16-Jul	469.50	472.25	466.00	467.75	-1.00
16-Sep	479.25	481.75	475.50	477.00	-1.00
16-Dec	493.50	496.25	490.50	491.00	-2.00
17-Mar	507.00	507.00	502.00	502.00	-2.00

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