

Wheat Domestic Fundamentals:

Wheat cash markets trades under pressure on higher production estimate by DES at 93.82MMT and good crop condition in major producing states. Arrivals from new crop in MP and likely in Gujarat from mid March may restrict uptrend in weeks ahead. Light showers of rains would boost developmental stage of standing crop in central and north India. Overall tone remains bearish.

Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released Second Adv. Estimate for Rabi crop for 2015-16 on 15th Feb, 2016. Production target for wheat in Rabi had been set at 94.75 lakh tonne. Now in Second Adv. estimate it has estimated wheat production for 2015-16 at 93.82 lakh tonne. Notably, India has produced 86.53 million tonne wheat in 2014-15.

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.

As of now wheat quality and yield in M.P. are good and new arrival is expected to increase by the end of this month. Daily arrival from new crop in Madhya Pradesh has been reported at around 30,000 bags including Dewas and is being traded at Rs 1550 to Rs 1620 per qtl. Arrival in Gujarat is expected to commence by the end of February.

Only token export are being done right now. India exported 138.36 tonne wheat during week ended 14th February-2016 at an ave price of \$264.84 per tonne. The highest quote received last week was \$285.84 while the lowest quote was registered at \$252.23 per tonne. UAE and Nepal were the major buyers last week. There is no hope for any recovery on export front despite arrival from the new crop is round the corner. There was no import last week.

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, in spite of wheat crop getting affected due to untimely rains and hailstorms during last March-April.

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.

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 to trade steady to slightly weak..

Wheat Futures Contact: NCDEX Price							Date: 19.02.2016		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Feb	0.00	1565.00	1565.00	1565.00	1565.00	10	0	10	0
16-Mar	1.00	1576.00	1579.00	1561.00	1569.00	50	-20	510	40
16-Apr	-8.00	1552.00	1552.00	1547.00	1547.00	70	40	2160	-10

Spread	Feb-16	Mar-16	Apr-16	May-16
Spot Narela				
16-Feb	-95			
16-Mar		-5	-	
16-Apr			-14	

Stocks	Demat	In- Process	Total	FED
	18-Feb-16	18-Feb-16	18-Feb-16	15-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	1022	0	1022	1341
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 19.02.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			19-Feb-16	18-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	1700	1700	Unch
	Narella	Mill Quality Loose	1670	1660	10
	Nazafgarh	Mill Quality Loose	1650	NA	-
Gujarat	Rajkot	Mill Delivery	1670	1670	Unch
	Ahmedabad	Mill Delivery	1735	1735	Unch
	Dhrol	Mill Quality Loose	1760	1780	-20
	Surat	Mill Delivery	1760	1760	Unch
M.P.	Bhopal	Mill Quality Loose	1550	1550	Unch
	Indore	Mill Delivery	1610	1610	Unch
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1625	1625	Unch
U.P.	Kanpur	Mill Delivery	1590	1580	10
	Mathura	Mill Quality Loose	1625	1625	Unch
	Kosi	Mill Quality Loose	1635	1640	-5
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	1700	-
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	1630	1630	Unch
	Khagariya	Mill Delivery	1800	1800	Unch
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19-Feb-16	18-Feb-16	
Gujarat					
	Rajkot	Lokwan	1900	1900	Unch
	Dhrol	Lokwan	2095	2085	10
M.P.	Indore	Lokwan	2000	1900	100
	Bhopal	Lokwan	1650	1650	Unch
	Bina	Sarbati 306	NR	2300	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			19-Feb-16	18-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	500	400	100
	Nazafgarh	Mill Quality Loose	50	NA	-
Gujarat	Rajkot	Mill Quality Loose	600	600	Unch
	Dhrol	Mill Quality Loose	4	4	Unch
M.P.	Indore	Mill Quality Loose	4000	5000	-1000
Rajasthan	Kota	Mill Quality	2000	2000	Unch
U.P.	Kanpur	Mill Quality Loose	500	400	100
	Mathura	Mill Quality Loose	20	50	-30
	Kosi	Mill Quality Loose	50	100	-50
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	1800	-
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	50	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	NA	NA	-

Wheat Products Delhi			19-Feb-16	18-Feb-16	Change
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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	481	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: 18.1.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	468.75	468.75	461.75	462.25	-6.25
16-May	474.75	475.00	468.25	468.50	-6.00
16-Jul	480.75	480.75	475.00	475.50	-4.75
16-Sep	488.25	489.50	485.00	485.50	-4.75
16-Dec	503.75	504.25	499.25	500.00	-3.50
17-Mar	512.50	512.50	508.75	509.50	-4.00

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