

Wheat Domestic Fundamentals:

Wheat cash market recovers slightly on fresh demand from local millers and growing fear of delayed harvesting in North India as new crop is hardly one month away from now. New arrivals from MP are expected to increase by mid March. Overall tone remains bearish. However, above normal temperature in day may impact yield. So Feb and March would be very crucial for final wheat crop size.

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 564.67 tonne wheat during week ended 21st February-2016 at an ave price of \$318.44 per tonne. The highest quote received last week was \$440.06 while the lowest quote was registered at \$179.05 per tonne. UAE and Kuwait 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, inspite 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:

Wheat cash market in Canada moved higher by \$2 to % per tonne during last five days. Firm CBOT helped Canadian wheat cash market to recover once again. Average Canada Western Red Spring (CWRS) wheat prices were up by about \$2-\$5 per tonne. Average prices ranged from about \$221 per tonne in southeastern Saskatchewan to as high as \$237 in southern Alberta.

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 213MMT.

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.

Domestic market Outlook: Wheat cash market is likely trade range bound.

[illegible]

Spread	Mar-16	Apr-16	May-16	Jun-16
Spot Narela				
16-Mar	107			
16-Apr		-19		
16-May				

Stocks	Demat	In- Process	Total	FED
	22-Feb-16	22-Feb-16	22-Feb-16	22-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	922	0	922	922
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 23.02.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			23-Feb-16	22-Feb-16	
Delhi	Lawrence Road	Mill Delivery	1715	1720	-5
	Narella	Mill Quality Loose	1670	1660	10
	Nazafgarh	Mill Quality Loose	1670	NA	-
Gujarat	Rajkot	Mill Delivery	1660	1660	Unch
	Ahmedabad	Mill Delivery	1725	1720	5
	Dhrol	Mill Quality Loose	1795	NR	-
	Surat	Mill Delivery	1750	1750	Unch
M.P.	Bhopal	Mill Quality Loose	1550	NR	-
	Indore	Mill Delivery	1610	1610	Unch
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1625	1625	Unch
U.P.	Kanpur	Mill Delivery	1575	1575	Unch
	Mathura	Mill Quality Loose	1640	1630	10
	Kosi	Mill Quality Loose	1660	1650	10
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1730	1720	10
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	NR	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1660	1650	10
	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	1620	1620	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
			23-Feb-16	22-Feb-16	
Gujarat					
	Rajkot	Lokwan	1900	1950	-50
	Dhrol	Lokwan	2090	NR	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1650	NR	-
	Bina	Sarbati 306	2300	Closed	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			23-Feb-16	22-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	100	50	50
	Nazafgarh	Mill Quality Loose	100	NA	-
Gujarat	Rajkot	Mill Quality Loose	1200	1000	200
	Dhrol	Mill Quality Loose	10	NR	-
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	3000	2000	1000
U.P.	Kanpur	Mill Quality Loose	250	500	-250
	Mathura	Mill Quality Loose	70	50	20
	Kosi	Mill Quality Loose	300	250	50
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	2000	2200	-200
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	NR	-
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	600	NA	-

Wheat Products Delhi			23-Feb-16	22-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	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: 22.2.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	461.00	463.25	458.00	458.50	-3.25
16-May	466.00	469.50	463.50	464.00	-2.75
16-Jul	473.25	476.75	470.75	471.75	-2.25
16-Sep	486.00	486.75	481.00	482.50	-1.50
16-Dec	500.25	501.00	495.25	497.25	-1.00
17-Mar	509.50	509.75	506.00	507.00	-0.75

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