

Wheat Domestic Fundamentals:

India is almost out of wheat export arena after exporting around 65 lakh tonne in 2011-12, when export was opened on the back of higher production. Since then wheat export from India has been on decline. India exported 55.6 lakh tonne in 2012-13, 29.2 lakh tonne in 2013-14, 27.5 lakh tonne in 2014-15 and 5.5 lakh tonne (till Dec) in 2015-16. Disparity, lower global wheat price and weather affected quality hampers opportunity for Indian wheat exporters. This year India would not be able to export 5/6 lakh tonne if global wheat market stays steady. Indian FoB quote is around \$240/245 right now while major exporters are offering wheat at \$180 to \$195 per tonne. Availability is ample and Indian wheat would hardly be able to compete in coming months.

Overall outlook for domestic market remains bearish. However, above normal temperature in day may impact yield. So Feb and March would be very crucial for final wheat crop size. Wheat arrival in MP has crossed 1.20 lakh bags in Madhya Pradesh.

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.

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, 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:

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 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.

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

Wheat Futures Contact: NCDEX Price									
Date: 25.02.2016									
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Mar	-5.00	1580.00	1580.00	1571.00	1573.00	40	-80	520	-45
16-Apr	-10.00	1557.00	1557.00	1550.00	1550.00	60	-20	2200	10
16-May	1.00	1563.00	1566.00	1563.00	1566.00	40	30	500	30

Spread	Mar-16	Apr-16	May-16	Jun-16
Spot Narela				
16-Mar	103			
16-Apr		-19		
16-May				

Stocks	Demat	In- Process	Total	FED
	24-Feb-16	24-Feb-16	24-Feb-16	22-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	793	0	793	922
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 25.02.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			25-Feb-16	24-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	1720	1720	Unch
	Narella	Mill Quality Loose	1670	Closed	-
	Nazafgarh	Mill Quality Loose	1650	Closed	-
Gujarat	Rajkot	Mill Delivery	1650	1660	-10
	Ahmedabad	Mill Delivery	1720	1720	Unch
	Dhrol	Mill Quality Loose	1820	1765	55
	Surat	Mill Delivery	1740	1750	-10
M.P.	Bhopal	Mill Quality Loose	1525	1550	-25
	Indore	Mill Delivery	1600	1610	-10
Rajasthan	Kota	Mill Quality Loose	1550	1550	Unch
		Mill Delivery	1640	1640	Unch
U.P.	Kanpur	Mill Delivery	1570	1570	Unch
	Mathura	Mill Quality Loose	1630	1635	-5
	Kosi	Mill Quality Loose	1660	1655	5
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	1750	-
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	1670	1650	20
	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	1800	Unch
FOR	Kandla(Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham(Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Feb-16	24-Feb-16	
Gujarat					
	Rajkot	Lokwan	1850	1850	Unch
	Dhrol	Lokwan	2035	2040	-5
M.P.	Indore	Lokwan	1900	2000	-100
	Bhopal	Lokwan	1700	1650	50
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Feb-16	24-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	70	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	700	900	-200
	Dhrol	Mill Quality Loose	2	4	-2
M.P.	Indore	Mill Quality Loose	6000	8000	-2000
Rajasthan	Kota	Mill Quality	2500	2500	Unch
U.P.	Kanpur	Mill Quality Loose	300	500	-200
	Mathura	Mill Quality Loose	25	80	-55
	Kosi	Mill Quality Loose	250	350	-100
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	NA	2100	-
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	50	100	-50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	400	600	-200

Wheat Products Delhi			25-Feb-16	24-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: 24.2.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	447.50	448.00	438.00	442.75	-5.25
16-May	455.50	456.25	446.50	451.25	-4.50
16-Jul	464.00	464.75	455.00	459.75	-4.25
16-Sep	476.00	476.50	466.75	471.25	-4.75
16-Dec	491.00	492.50	483.75	488.00	-4.00
17-Mar	502.00	503.00	496.75	500.25	-2.75

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