

Wheat Domestic Fundamentals:

Overall wheat cash markets traded steady to weak on Saturday and 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. New arrival in MP has crossed 1.25 lakh bags per day and is being traded at Rs 1500 to Rs 1750 per qtl., depending on quality of the seed.

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.

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 30 MMT 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.

International Market Update:

IGC revised wheat production estimate up by 1 MMT to 732 MMT this month. Trade estimate too has not been revised and it stayed steady at 152 MMT. Consumption has been pegged at 719 MMT in the month of Feb 2016. Carryout stock has been pegged at 213 MMT.

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.

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 to weak.

Wheat Futures Contract: NCDEX Price									
Date: 26.02.2016									
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Mar	3.00	1595.00	1595.00	1572.00	1577.00	160	120	510	-10
16-Apr	-2.00	1550.00	1557.00	1550.00	1552.00	160	60	2220	20
16-May	-1.00	1549.00	1564.00	1549.00	1564.00	30	-10	500	0

Spread	Mar-16	Apr-16	May-16	Jun-16
Spot Narela				
16-Mar	83			
16-Apr		-25		
16-May			12	

Stocks	Demat	In- Process	Total	FED
	26-Feb-16	26-Feb-16	26-Feb-16	22-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	793	0	793	922
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 27.02.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			27-Feb-16	26-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	1725	1730	-5
	Narella	Mill Quality Loose	1660	1660	Unch
	Nazafgarh	Mill Quality Loose	1675	1700	-25
Gujarat	Rajkot	Mill Delivery	NR	1630	-
	Ahmedabad	Mill Delivery	NR	1715	-
	Dhrol	Mill Quality Loose	NR	1750	-
	Surat	Mill Delivery	NR	1735	-
M.P.	Bhopal	Mill Quality Loose	1500	1525	-25
	Indore	Mill Delivery	1590	1590	Unch
Rajasthan	Kota	Mill Quality Loose	1520	1550	-30
		Mill Delivery	1615	1640	-25
U.P.	Kanpur	Mill Delivery	1575	1575	Unch
	Mathura	Mill Quality Loose	1625	1635	-10
	Kosi	Mill Quality Loose	1660	1650	10
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	1750	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1610	1610	Unch
	Hodal	Mill Delivery	1705	1705	Unch
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1660	1660	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	Closed	1625	-

	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
			27-Feb-16	26-Feb-16	
Gujarat					
	Rajkot	Lokwan	NR	1800	-
	Dhrol	Lokwan	NR	2045	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1750	1700	50
	Bina	Sarbati 306	2300	2250	50
Rajasthan	Kota	LokwanBilty	1750	1750	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			27-Feb-16	26-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	150	250	-100
	Nazafgarh	Mill Quality Loose	50	30	20
Gujarat	Rajkot	Mill Quality Loose	NR	1300	-
	Dhrol	Mill Quality Loose	NR	4	-
M.P.	Indore	Mill Quality Loose	10000	10000	Unch
Rajasthan	Kota	Mill Quality	3000	4000	-1000
U.P.	Kanpur	Mill Quality Loose	400	500	-100
	Mathura	Mill Quality Loose	100	50	50
	Kosi	Mill Quality Loose	350	250	100
	Hathras	Mill Quality Loose	NA	NA	-
	Aligarh	Mill Quality Loose	2100	NA	-
Punjab	Khanna	Mill Quality Loose	NA	NA	-
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	100	-50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	300	700	-400

Wheat Products Delhi			27-Feb-16	26-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: 26.2.2016					
Contract Month	Open	High	Low	Close	Change
16-Mar	445.00	447.25	439.50	443.25	-2.00
16-May	455.00	456.25	449.00	452.25	-1.75
16-Jul	463.75	464.00	457.00	459.50	-2.75
16-Sep	472.25	474.25	467.25	469.75	-3.25
16-Dec	489.50	490.75	483.25	485.75	-3.75
17-Mar	502.50	503.00	496.00	498.75	-3.75

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