

Wheat Domestic Fundamentals:

Weak tone continued to prevail in the market as supply pressure from new crop in MP and Rajasthan may be felt by mid March. However, above normal temperature in day may impact yield, it is feared. So 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 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.

International Market Update:

IGC revised wheat production estimate up by 1MMT 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 Contact: NCDEX Price									
Date: 29.02.2016									
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
16-Mar	-3.00	1588.00	1586.00	1575.00	1585.00	50	-90	510	00
16-Apr	-3.00	1552.00	1555.00	1540.00	1549.00	640	360	1940	-220
16-May	-2.00	1560.00	1560.00	1550.00	1555.00	120	90	560	60

Spread	Mar-16	Apr-16	May-16	Jun-16
Spot Narela				
16-Mar	75			
16-Apr		-36		
16-May			6	

Stocks	Demat	In- Process	Total	FED
	27-Feb-16	27-Feb-16	27-Feb-16	22-Feb-16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	793	0	793	922
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 29.02.2016

	Market	Variety	Prices (Rs/Qtl)		Change
			29-Feb-16	27-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	1720	1725	-5
	Narella	Mill Quality Loose	1660	1660	Unch
	Nazafgarh	Mill Quality Loose	1650	1675	-25
Gujarat	Rajkot	Mill Delivery	1630	NR	-
	Ahmedabad	Mill Delivery	1700	NR	-
	Dhrol	Mill Quality Loose	2085	2090	-5
	Surat	Mill Delivery	1730	NR	-
M.P.	Bhopal	Mill Quality Loose	1500	1500	Unch
	Indore	Mill Delivery	1600	1590	10
Rajasthan	Kota	Mill Quality Loose	1520	1520	Unch
		Mill Delivery	1615	1615	Unch
U.P.	Kanpur	Mill Delivery	1575	1575	Unch
	Mathura	Mill Quality Loose	1650	1625	25
	Kosi	Mill Quality Loose	1650	1660	-10
	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	1605	1610	-5
	Hodal	Mill Delivery	1605	1705	-100
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1630	1660	-30
	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	Closed	-

	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
			29-Feb-16	27-Feb-16	
Gujarat					
	Rajkot	Lokwan	1850	NR	-
	Dhrol	Lokwan	1780	NR	-
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	1700	1750	-50
	Bina	Sarbati 306	2200	2300	-100
Rajasthan	Kota	Lokwan Bilty	1750	1750	Unch
	Baran	Lokwan	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			29-Feb-16	27-Feb-16	
Delhi					
	Lawrence Road	Mill Delivery	NA	NA	-
	Narella	Mill Quality Loose	600	150	450
	Nazafgarh	Mill Quality Loose	30	50	-20
Gujarat	Rajkot	Mill Quality Loose	1700	NR	-
	Dhrol	Mill Quality Loose	4	3	1
M.P.	Indore	Mill Quality Loose	2500	10000	-7500
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	400	400	Unch
	Mathura	Mill Quality Loose	60	100	-40
	Kosi	Mill Quality Loose	400	350	50
	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	100	100	Unch
	Hodal	Mill Quality Loose	100	50	50
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	500	300	200

Wheat Products Delhi			29-Feb-16	27-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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