Wheat Daily Fundamental Report
05th December, 2016

Wheat Domestic Fundamentals:

***Despite disturb cash flow of high denomination notes, all India acreage under wheat** has gone up 14 percent to 174 lakh ha as on 02.12.2016 during ongoing Rabi season. It was 152.56 lakh ha last year till date. Higher prevailing prices of wheat(above MSP), increase in MSP, congenial weather condition and good moisture level in field with decreasing temperature have encouraged farmers to speed up sowing activities.*

***The total area sown under Rabi crops as on 2nd December, 2016 registered** at 415.53 lakh hectares as compared to 382.84 lakh hectare in the corresponding period in 2015.farmers have reduced coarse cereals and rice area and preferred to sow more wheat and pulses .There is a common view in the market that pulses/wheat area may exceed from normal this year.*

***All India average monthly prices for wheat increased by 9.75 percent** from Rs 1810.97 (in October)to Rs 1987.59 per qtl. in November-2016. Better crop prospects for next year have weakened inner tone in the market. Average price (November) is higher by 15.44 percent compared to price (Rs 1721.69 per qtl.) registered in November-2015. Higher import volume would restrict demand from south Indian millers. Government has reduced import duty from 25 percent to 10 percent, it would directly impact wheat price of central and north India.*

***Wheat WPI has increased slightly from 231.9 in September to 232.9 in October-2016.** Monthly wheat inflation has increased by 0.43 percent in October-16 compared to September -16. As compared to October-15 wheat WPI has increased by around 6.3 percent.*

***In the last week, India imported around 130066 tonne wheat** from Australia, Ukraine and France till 26th Nov-2016 at an average CIF of $220.10 per tonne. Around 33901 tonne has been imported from Australia at an average CIF of $238.61 per tonne, 94665 tonnes of Ukraine wheat at an average CIF of $198.56 per tonne and a small quantity of 1500 tonnes has arrived from France at an average CIF of $219.33 per tonne.*

***According to latest update, export of wheat has decreased compared to last week.** In the week (21-26 November) the exports were around 294.625 metric tonnes compared to 1319.07 metric tonnes in the week 14-20 November. The said quantity was exported at an average FOB of $366.49 per tonne and the major destinations were Sri Lanka, USA, Somalia and UAE. Total export till 26th Nov-2016 since 4th April was registered around 29738.94 tonne. Export window remained restricted due to disparity.*

International Market Update:

***Australia is expecting a crop of around 31.5 million tonnes** which will break its own record of 29.9 million tonnes set five years earlier. Australia is not only hoping to regain its market share lost in Asia but also challenge countries in the black sea region at a global level. Australia standard wheat with 9 percent protein was quoted at $185 per tonne FoB this week. This quote is still higher by around $6 per tonne compared to Russia and Ukraine.*

***GASC has purchased 240000 tonnes of Russian wheat** through tender after abolishing its zero-tolerance policy towards ergot. Louis Dreyfus offered 60000 tonnes at FOB $188.74/tonne, Olam offered 60000 tonnes at FOB of $189.05/tonne, Alegrow offered 60000 tonnes at FOB $189.46/tonne and Grainbow offered 60000 tonnes at FOB $188.74/tonne.*

***As per latest update by Buenos Aires cereal exchange, harvesting of wheat in Argentina has been delayed** by 2.3 percentage points and reached 17.7 percent of the expected 10.6 million acres. Harvesting has progressed by 5.6 percentage points last week. The Argentinean government expects 14.9 MMT of cereal production as it is including non-commercial production also.*

***According to latest update by International Grains Council**, the production forecast has been increased by 1 MMT for crop year 2016-17. The production may touch 749 MMT against a forecast of 737 MMT for 2015-16. The difference is around 12 MMT. However trade projection has been revised down by 1MMT to 166 MMT which is still 2 MMT higher than actual of last year. Higher projection for wheat may pressurize global wheat at current level and any major recovery from current level is unlikely.*

***Outlook:** Cash market is expected to trade steady to slightly weak in the near term*

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Wheat Futures Contact: NCDEX Price									Date:02.12.2016
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	+1	2019	2030	2011	2020	1230	-1,460	8680	-580
17-Jan	-5	2062	2066	2053	2053	570	-960	3240	+110
17-Feb	-	-	-	-	-	-	-	-	-

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	-95			
17-Jan		-27		
17-Feb			-9	

Stocks	Demat	In- Process	Total	FED
	2.Dec.16	2.Dec.16	2.Dec.16	28.Nov.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5359	0	5359	6402
Rajkot	-	-	-	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Dec-16	2-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2140	2150	-10
	Narella	Mill Quality Loose	2050	2050	Unch
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Delivery	2015	2010	5
	Ahmedabad	Mill Delivery	2140	2140	Unch
	Surat	Mill Delivery	2170	2170	Unch
	Dhrol	Mill Quality Loose	2000	2130	-130
M.P.	Indore	Mill Delivery	2000	2100	-100
	Bhopal	Mill Quality Loose	2000	1925	75
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	-
		Mill Delivery	Closed	Closed	-
U.P.	Kanpur	Mill Delivery	1995	1975	20
	Mathura	Mill Quality Loose	1960	1960	Unch
	Kosi	Mill Quality Loose	1970	1975	-5
	Hathras	Mill Quality Loose	NR	2100	-
	Aligarh	Mill Quality Loose	1900	1850	50
Punjab	Khanna	Mill Quality Loose	1970	2000	-30
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1900	1900	Unch
	Hodal	Mill Delivery	2240	2240	Unch
	Bhiwani	Mill Quality Loose	2100	2100	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	-
	Madurai	Mill Quality	Closed	Closed	-
	Coimbatore	Mill Quality	Closed	Closed	-
Bihar	Khagariya	Mill Delivery	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1900	1850	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			3-Dec-16	2-Dec-16	
Delhi	Lawrence Road	Mill Delivery	3000	2500	500
	Narella	Mill Quality Loose	250	250	Unch
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Quality Loose	1200	1000	200
	Dhrol	Mill Quality Loose	3	6	-3
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	Closed	Closed	-
U.P.	Kanpur	Mill Quality Loose	1750	1850	-100
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	300	350	-50
	Hathras	Mill Quality Loose	NR	85	-
	Aligarh	Mill Quality Loose	100	300	-200
Punjab	Khanna	Mill Quality Loose	300	600	-300
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	100	100
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			3-Dec-16	2-Dec-16	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2500	-200
	Bhopal	Lokwan	2200	2100	100
	Bina	Sarbati 306	2200	2400	-200

Rajasthan	Kota	Lokwan Bilty	Closed	Closed	-
	Baran	Lokwan	2050	2075	-25

Wheat Products Delhi	3-Dec-16	2-Dec-16	Change
Atta (50kg) Ordinary	1190	1190	Unch
Maida Grade 1 (50KG)	1510	1510	Unch
Suji (50kg)	1560	1560	Unch
Chokar (50 kg)	919	919	Unch
Chokar (34 kg)	630	630	Unch
Chakki Atta (50kg)	1220	1220	Unch
Chakki Atta (50kg) Special	1250	1250	Unch
Chakki Atta (90kg) Superfine	1978	1978	Unch
Chakki Atta (50kg) Superfine	1080	1080	Unch

Wheat (CBOT) Future Price: 2.12.2016					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
Dec-16	373	388	372	388	16
Mar-17	399	405	396.5	404	9
May-17	412	418	409.75	417	8
Jul-17	426	431	424.5	431	7
Sep-17	442	446	440.25	446.25	6.25
Dec-17	461	465	460	465	6