Wheat Daily Fundamental Report
06th December, 2016

Wheat Domestic Fundamentals:

According to latest update, area sown until 02 December'16 is 173.93 lakh hectares *compared to 152.26 lakh hectares in the previous Rabi season. Among major states the area is down in Chhattisgarh, Gujarat and Himachal Pradesh, whereas Madhya Pradesh, Maharashtra, Punjab and Uttar Pradesh have seen an increase in area compared to last year for the same date. The normal area is 304.05 lakh hectares. Area is expected to be higher this year as government has increased MSP of wheat which may motivate farmers to sow more area.*

At import front situation seems to be turning in favor of south Indian millers *after revision of import duty to 10%. Wheat from Ukraine is arrived at Chennai and Tuticorin port at $195.23 per tonne and $199.93 per tonne respectively. In October India imported 5.41 lakh tonne wheat at an average CiF of $221.97 per tonne. Import is likely to continue as prices in domestic market rules higher. As import duty is slashed, import volume may exceed 2MMT in current MY. It would impact south Indian millers demand from central and north India. Off-take from central pool would decrease.*

At export front prevailing market conditions are not in favor of Indian exporters *due to huge price gap. The difference is over $130 per tonne from Black Sea Region. Russia/Ukraine is offering wheat at $181.5/183 per tonne on FoB basis while Indian FoB at Kandla port comes to $318.12 per tonne. India exported 3350 tonne wheat in November at an average FoB of $373.81 per tonne. Total export in current MY till October-2016 was registered around 29694 tonne from 1st April. For current MY till October average FoB comes to $344.7 per tonne. There is no hope for any recovery at export front this year.*

All India weekly average prices increased by 2.41 percent *to Rs. 2177.08 per quintal during the week ended 08th December 2016. Wheat average price were ruling at Rs 2125.88 per quintal during 24-30th November 2016. As compared to prices in the week 01-08th December 2015, the prices are firm by 27.50 percent. Prices are expected to remain range bound to slightly weak in coming days.*

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.*

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.*

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.*

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*

Wheat Futures Contact: NCDEX Price									Date:05.12.2016
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	+2	2018	2034	1972	2020	710	-520	8340	-340
17-Jan	+6	2069	2069	2069	2069	10	-560	3250	10
17-Feb	-	-	-	-	-	-	-	-	-

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	15			
17-Jan		-49		
17-Feb			-	

Stocks	Demat	In- Process	Total	FED
	3.Dec.16	3.Dec.16	3.Dec.16	28.Nov.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5270	0	5270	6402
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 5.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Dec-16	3-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2150	2140	10
	Narella	Mill Quality Loose	2035	2050	-15
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Delivery	2010	2015	-5
	Ahmedabad	Mill Delivery	2140	2140	Unch
	Surat	Mill Delivery	2170	2170	Unch
	Dhrol	Mill Quality Loose	2100	2000	100
M.P.	Indore	Mill Delivery	2000	2000	Unch
	Bhopal	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality Loose	1900	Closed	-
		Mill Delivery	NR	Closed	-
U.P.	Kanpur	Mill Delivery	2015	1995	20
	Mathura	Mill Quality Loose	NR	1960	-
	Kosi	Mill Quality Loose	2070	1970	100
	Hathras	Mill Quality Loose	2100	NR	-
	Aligarh	Mill Quality Loose	Closed	1900	-
Punjab	Khanna	Mill Quality Loose	1975	1970	5

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1900	1900	Unch
	Hodal	Mill Delivery	2240	2240	Unch
	Bhiwani	Mill Quality Loose	2125	2100	25
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	NR	Closed	-
	Madurai	Mill Quality	NR	Closed	-
	Coimbatore	Mill Quality	NR	Closed	
Bihar	Khagariya	Mill Delivery	1800	1900	-100
	Muzaffarpur	Mill Delivery	1870	1900	-30
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			5-Dec-16	3-Dec-16	
Delhi	Lawrence Road	Mill Delivery	1500	3000	-1500
	Narella	Mill Quality Loose	300	250	50
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Quality Loose	1000	1200	-200
	Dhrol	Mill Quality Loose	11	3	8
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	4000	Closed	-
U.P.	Kanpur	Mill Quality Loose	1650	1750	-100
	Mathura	Mill Quality Loose	NR	150	-
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	NA	NR	-
	Aligarh	Mill Quality Loose	Closed	100	-
Punjab	Khanna	Mill Quality Loose	500	300	200
	(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	200	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

AGRIWATCH

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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			5-Dec-16	3-Dec-16	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2200	2200	Unch
	Bina	Sarbati 306	NR	2200	-
Rajasthan	Kota	LokwanBilty	2000	Closed	-
	Baran	Lokwan	NR	2050	-

Wheat Products Delhi	5-Dec-16	3-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