Wheat Daily Fundamental Report
07th December, 2016

Wheat Domestic Fundamentals:

As per latest update, the Indian Meteorological Department has predicted for a warmer winter this year. *If temperature increases in the crucial period of February and March wheat yields may be negatively affected by around ten percent. The average wheat yield in India is around 3 tonnes per hectare. Although wheat sowing as on 02nd December (173.93 lakh hectares) is higher compared to last year (152.26 lakh hectares) for the same date but a close watch has to be kept on crop condition during February and March.*

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.*

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:06.12.2016
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	16	2012	2037	2012	2035	1080	370	7850	-490
17-Jan	-8	2062	2065	2053	2061	620	610	3190	-60
17-Feb	-	1996	1996	1996	1996	80	-	490	-

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	-20			
17-Jan		-26		
17-Feb			65	

Stocks	Demat	In- Process	Total	FED
	5.Dec.16	5.Dec.16	5.Dec.16	5.Dec.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5270	0	5270	5270
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 6.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Dec-16	5-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2150	2150	Unch
	Narella	Mill Quality Loose	2015	2035	-20
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Delivery	2000	2010	-10
	Ahmedabad	Mill Delivery	2140	2140	Unch
	Surat	Mill Delivery	2175	2170	5
	Dhrol	Mill Quality Loose	2000	2100	-100
M.P.	Indore	Mill Delivery	1950	2000	-50
	Bhopal	Mill Quality Loose	1950	2000	-50
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	NR	NR	-
U.P.	Kanpur	Mill Delivery	2000	2015	-15
	Mathura	Mill Quality Loose	1930	NR	-
	Kosi	Mill Quality Loose	2100	2070	30
	Hathras	Mill Quality Loose	1975	2100	-125
	Aligarh	Mill Quality Loose	1900	Closed	-
Punjab	Khanna	Mill Quality Loose	1970	1975	-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	2100	2125	-25
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	1560	NA	-
Tamil Nadu	Chennai	Mill Quality	NR	NR	-
	Madurai	Mill Quality	NR	NR	-
	Coimbatore	Mill Quality	NR	NR	-
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1925	1870	55
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			6-Dec-16	5-Dec-16	
Delhi	Lawrence Road	Mill Delivery	1500	1500	Unch
	Narella	Mill Quality Loose	200	300	-100
	Nazafgarh	Mill Quality Loose	NR	NR	-
Gujarat	Rajkot	Mill Quality Loose	1200	1000	200
	Dhrol	Mill Quality Loose	11	11	Unch
M.P.	Indore	Mill Quality Loose	1000	1500	-500
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	1800	1650	150
	Mathura	Mill Quality Loose	150	NR	-
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	30	NA	-
	Aligarh	Mill Quality Loose	150	Closed	-
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	50	50
	Bhiwani	Mill Quality Loose	100	200	-100
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

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Centre	Market	Variety	Prices (Rs/Qtl)		Change
			6-Dec-16	5-Dec-16	
Gujarat	Rajkot	Lokwan	2150	2150	Unch
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2150	2200	-50
	Bina	Sarbati 306	NR	NR	-
Rajasthan	Kota	Lokwan Bilty	2000	2000	Unch
	Baran	Lokwan	2100	NR	-

Wheat Products Delhi	6-Dec-16	5-Dec-16	Change
Atta (50kg) Ordinary	1190	1190	Unch
Maida Grade 1 (50KG)	1510	1510	Unch
Suji (50kg)	1560	1560	Unch
Chokar (50 kg)	924	919	5
Chokar (34 kg)	621	630	-9
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: 5.12.2016					
Contract Month	Open	High	Low	Close	Change
16-Dec	390.00	394.00	389.00	389.00	2.00
17-Mar	404.50	410.00	404.00	408.00	4.00
17-May	417.00	422.25	416.75	420.25	3.25
17-Jul	430.75	435.25	430.00	433.00	2.00
17-Sep	447.25	450.00	444.75	447.75	1.50
17-Dec	465.75	468.50	463.00	466.00	0.75