Wheat Daily Fundamental Report
09th December, 2016

Wheat Domestic Fundamentals:

***As per latest update, India has removed import duty on wheat** in order to improve domestic supplies and keep the rising prices in check. Government revised import duty from 25 percent to 10 percent in the month of September. As import duty has been removed import volume may be around 3MMT in current marketing year. Furthermore latest update by IMD for a warmer winter has increased concern for this year's wheat crop. Wheat stocks with FCI have fallen to a five year low which has reduced the sale of wheat in open market.*

***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:08.12.2016
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	-36	2027	2032	1999	1999	2710	1,210	6780	-730
17-Jan	-60	2040	2040	1980	1980	4420	3,480	4170	890
17-Feb	-37	1980	1980	1953	1963	40	-60	530	20

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	31			
17-Jan		19		
17-Feb			17	

Stocks	Demat	In- Process	Total	FED
	7.Dec.16	7.Dec.16	7.Dec.16	5.Dec.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5270	0	5270	5270
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 8.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Dec-16	7-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2150	2150	Unch
	Narella	Mill Quality Loose	2030	Closed	-
	Nazafgarh	Mill Quality Loose	2075	Closed	-
Gujarat	Rajkot	Mill Delivery	1970	2000	-30
	Ahmedabad	Mill Delivery	2130	2140	-10
	Surat	Mill Delivery	2140	2160	-20
	Dhrol	Mill Quality Loose	2185	NA	-
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1925	1950	-25
Rajasthan	Kota	Mill Quality Loose	1900	1900	Unch
		Mill Delivery	2000	NR	-
U.P.	Kanpur	Mill Delivery	1925	NR	-
	Mathura	Mill Quality Loose	1940	1935	5
	Kosi	Mill Quality Loose	2150	2100	50
	Hathras	Mill Quality Loose	1940	1975	-35

	Aligarh	Mill Quality Loose	1900	Closed	-
Punjab	Khanna	Mill Quality Loose	1980	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	NR	2130	-
	Karnal	Mill Delivery	2060	2060	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	NR	-
	Madurai	Mill Quality	NR	NR	-
	Coimbatore	Mill Quality	NR	NR	-
Bihar	Khagariya	Mill Delivery	1800	1800	Unch
	Muzaffarpur	Mill Delivery	1925	1925	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			8-Dec-16	7-Dec-16	
Gujarat	Rajkot	Lokwan	2100	2125	-25
M.P.	Indore	Lokwan	2300	2300	Unch
	Bhopal	Lokwan	2100	2150	-50
	Bina	Sarbati 306	2200	Closed	-
Rajasthan	Kota	LokwanBilty	2000	2000	Unch
	Baran	Lokwan	2000	NR	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			8-Dec-16	7-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2000	2000	Unch
	Narella	Mill Quality Loose	300	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1200	1300	-100
	Dhrol	Mill Quality Loose	5	NA	-
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	2500	3000	-500
U.P.	Kanpur	Mill Quality Loose	1650	NR	-
	Mathura	Mill Quality Loose	150	150	Unch
	Kosi	Mill Quality Loose	300	100	200
	Hathras	Mill Quality Loose	50	30	20
	Aligarh	Mill Quality Loose	100	Closed	-

Punjab	Khanna	Mill Quality Loose	300	300	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	100	100	Unch
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	NR	200	-
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	8-Dec-16	7-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	924	Unch
Chokar (34 kg)	621	621	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: 7.12.2016					
Contract Month	**Open**	**High**	**Low**	**Close**	**Change**
16-Dec	389.00	389.00	385.00	386.25	-3.25
17-Mar	406.50	407.50	399.50	401.00	-5.75
17-May	419.00	419.25	411.75	412.50	-6.75
17-Jul	432.25	432.25	424.75	424.75	-7.50
17-Sep	446.75	446.75	438.50	438.75	-7.75
17-Dec	464.75	464.75	455.25	455.75	-9.00