

Wheat Domestic Fundamentals:

At a time of sowing reduction in import duty to 0% may provide global players an opportunity to dump their wheat stock in India. It would directly impact wheat farmers in 2017. Undoubtedly, govt. has taken this decision to curb spiraling prices in domestic market. However, govt. should have a close eye on import volume. Demand from south Indian market would dry up in the season if unrestricted quantity continues to enter domestic market. As of now crop condition is good and given the normal condition bumper production is likely over 94MMT.

At import front situation seems to be turning in favor of south Indian millers after revision of import duty from 10 to 0 %. 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 has been slashed, import volume may exceed 3MMT in current MY-fears agri experts It would impact south Indian millers demand from central and north India. Off-take from central pool would decrease.

According to latest update, area sown until 09 December'16 is 225.62 lakh hectares compared to 202.29 lakh hectares in the previous Rabi season. Among major states the area is down in Chhattisgarh, Karnataka 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.

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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

As per latest update, Japan's ministry of agriculture bought 123354 tonnes of food quality wheat from United States and Canada. Around 67780 tonnes has been bought from United States with minimum protein content of 14 percent and 55574 tonnes has been bought from Canada with minimum protein content of 13.5 percent. The entire quantity from US will be loaded between January 16 and February 15, 2017.

Ukrainian wheat shipments of around 400000 tonnes which were booked for December delivery may be delayed as traders are giving priority to corn exports. Wheat shipment season is nearly over and corn shipments are at its peak. Therefore India may face low wheat supplies in upcoming days.

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.

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

Wheat Futures Contract: NCDEX Price							Date:09.12.2016		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	51	1995	2075	1995	2053	870	-1,840	6330	-450
17-Jan	35	1975	2025	1967	2017	1510	-2,910	4030	-140
17-Feb	-	1963	1963	1963	1963	40	-	530	-

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	-12			
17-Jan		23		
17-Feb			51	

Stocks	Demat	In- Process	Total	FED
	9.Dec.16	9.Dec.16	9.Dec.16	5.Dec.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5270	0	5270	5270
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 12.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Dec-16	10-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2125	2130	-5
	Narela	Mill Quality Loose	Closed	2035	-
	Nazafgarh	Mill Quality Loose	Closed	2050	-
Gujarat	Rajkot	Mill Delivery	1910	1900	10
	Ahmedabad	Mill Delivery	2035	2080	-45
	Surat	Mill Delivery	2050	2100	-50
	Dhrol	Mill Quality Loose	NR	2235	-
M.P.	Indore	Mill Delivery	1900	1800	100
	Bhopal	Mill Quality Loose	1850	1900	-50
Rajasthan	Kota	Mill Quality Loose	1875	1900	-25
		Mill Delivery	1975	2000	-25
U.P.	Kanpur	Mill Delivery	NR	1915	-
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	2150	2125	25
	Hathras	Mill Quality Loose	2100	NR	-
	Aligarh	Mill Quality Loose	1900	1900	Unch
Punjab	Khanna	Mill Quality Loose	1940	1950	-10

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1850	1850	Unch
	Hodal	Mill Delivery	2240	2240	Unch
	Bhiwani	Mill Quality Loose	2100	2050	50
	Karnal	Mill Delivery	2000	NR	-
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2300	2400	-100
	Madurai	Mill Quality	2357	2457	-100
	Coimbatore	Mill Quality	2357	2457	-100
Bihar	Khagariya	Mill Delivery	1850	1850	Unch
	Muzaffarpur	Mill Delivery	1950	1950	Unch
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12-Dec-16	10-Dec-16	
Gujarat	Rajkot	Lokwan	2050	2100	-50
M.P.	Indore	Lokwan	2200	2200	Unch
	Bhopal	Lokwan	1950	2000	-50
	Bina	Sarbati 306	2300	2300	Unch
Rajasthan	Kota	Lokwan Bilty	2100	2150	-50
	Baran	Lokwan	1950	1950	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			12-Dec-16	10-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2200	2000	200
	Narella	Mill Quality Loose	Closed	200	-
	Nazafgarh	Mill Quality Loose	Closed	100	-
Gujarat	Rajkot	Mill Quality Loose	600	900	-300
	Dhrol	Mill Quality Loose	NR	2	-
M.P.	Indore	Mill Quality Loose	1500	1000	500
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	NR	2000	
	Mathura	Mill Quality Loose	100	150	-50
	Kosi	Mill Quality Loose	300	400	-100
	Hathras	Mill Quality Loose	50	NR	-
	Aligarh	Mill Quality Loose	150	150	Unch
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	150	200	-50
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		12-Dec-16	10-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: 9.12.2016					
Contract Month	Open	High	Low	Close	Change
16-Dec	395.50	400.25	395.50	400.25	9.50
17-Mar	409.00	417.00	403.75	416.25	8.00
17-May	419.50	427.25	415.25	426.50	7.75
17-Jul	430.75	439.25	428.25	438.50	8.25
17-Sep	445.50	453.00	442.50	452.50	8.25
17-Dec	461.25	470.75	461.00	470.00	8.00

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