

Wheat Domestic Fundamentals:

As per latest update, Indian importers bought around 10000 tonnes of wheat with a protein content of 11.5 percent from Ukraine and Moldova. The said quantity was purchased between \$213-216 per tonne cost and freight. The purchase was made before India scrapped import duty on wheat and is expected to arrive at Nhava Sheva port by 25th Feb'17.

All India weekly average prices increased by 3.01 percent to Rs. 2242.69 per quintal during the week ended 15th December 2016. Wheat average price was ruling at Rs 2177.08 per quintal during 01-08th December 2016. As compared to prices in the week 09-15th December 2015, the prices are firm by 28.71 percent. Prices are expected to remain range bound to slightly weak in coming days.

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.

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.

At import front situation seems to be turning in favor of south Indian millers after revision of import duty to Zero. 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.

International Market Update:

The Saudi Arabia grains organization has bought around 725000 tonnes of hard wheat with a protein content of 12.5 percent for delivery between 1st February'17 to 10th April'17. Of the total quantity 430000 tonnes will arrive at Jeddah, 240000 tonnes will arrive at Dammam and the remaining 55000 tonnes at Jazan port.

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.

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

Wheat Futures Contract: NCDEX Price							Date:13.12.2016		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	12	2068	2069	2025	2065	1990	1,120	6430	100
17-Jan	2	2005	2025	2005	2019	360	-1,150	4090	60
17-Feb	0	1963	1963	1943	1963	90	-10	570	60

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	-50			
17-Jan		46		
17-Feb			56	

Stocks	Demat	In- Process	Total	FED
	12.Dec.16	12.Dec.16	12.Dec.16	12.Dec.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5270	0	5270	5270
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 13.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13-Dec-16	12-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2125	2125	Unch
	Narella	Mill Quality Loose	2015	Closed	-
	Nazafgarh	Mill Quality Loose	2075	Closed	-
Gujarat	Rajkot	Mill Delivery	1925	1910	15
	Ahmedabad	Mill Delivery	2030	2035	-5
	Surat	Mill Delivery	2060	2050	10
	Dhrol	Mill Quality Loose	2160	NR	-
M.P.	Indore	Mill Delivery	1900	1900	Unch
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	NR	1875	-
		Mill Delivery	NR	1975	-
U.P.	Kanpur	Mill Delivery	NR	NR	-
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	2060	2150	-90
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	1900	1900	Unch
Punjab	Khanna	Mill Quality Loose	1850	1940	-90

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1840	1850	-10
	Hodal	Mill Delivery	2240	2240	Unch
	Bhiwani	Mill Quality Loose	2100	2100	Unch
	Karnal	Mill Delivery	2000	2000	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	NR	2300	-
	Madurai	Mill Quality	NR	2357	-
	Coimbatore	Mill Quality	NR	2357	-
Bihar	Khagariya	Mill Delivery	1850	1850	Unch
	Muzaffarpur	Mill Delivery	NR	1950	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

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

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			13-Dec-16	12-Dec-16	
Delhi	Lawrence Road	Mill Delivery	1800	2200	-400
	Narella	Mill Quality Loose	400	Closed	-
	Nazafgarh	Mill Quality Loose	50	Closed	-
Gujarat	Rajkot	Mill Quality Loose	1000	600	400
	Dhrol	Mill Quality Loose	10	NR	-
M.P.	Indore	Mill Quality Loose	1500	1500	Unch
Rajasthan	Kota	Mill Quality	NR	3000	-
U.P.	Kanpur	Mill Quality Loose	NR	NR	-
	Mathura	Mill Quality Loose	100	100	Unch
	Kosi	Mill Quality Loose	300	300	Unch
	Hathras	Mill Quality Loose	50	50	Unch
	Aligarh	Mill Quality Loose	150	150	Unch
Punjab	Khanna	Mill Quality Loose	300	500	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-

Haryana	Sirsa	Mill Quality Loose	100	200	-100
	Hodal	Mill Quality Loose	50	50	Unch
	Bhiwani	Mill Quality Loose	200	150	50
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	13-Dec-16	12-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: 12.12.2016					
Contract Month	Open	High	Low	Close	Change
16-Dec	397.75	401.25	397.50	401.25	1.00
17-Mar	416.00	417.75	408.50	417.25	1.00
17-May	426.25	428.25	419.25	427.75	1.25
17-Jul	437.00	439.75	431.00	439.75	1.25
17-Sep	448.50	453.25	445.50	453.25	0.75
17-Dec	469.50	470.50	463.00	470.25	0.25

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