

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:

As per latest update, USDA has increased its global wheat production forecast for 2016-17 up by 6.54 MMT to 751.26 MMT. The forecast was revised up because of expectations of good crop in Australia. Consumption and ending stocks have also been revised up by 3.25 MMT and 2.91 MMT to 739.77 MMT and 252.14 MMT respectively.

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.

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

Wheat Futures Contract: NCDEX Price							Date:14.12.2016		
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	-8	2024	2048	2023	2048	40	-1,950	2290	-4,140
17-Jan	+4	2023	2030	2009	2019	350	-10	4190	+100
17-Feb	+14	1975	1975	1970	1970	40	-50	610	+40

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	-33			
17-Jan		29		
17-Feb			49	

Stocks	Demat	In- Process	Total	FED
	13.Dec.16	13.Dec.16	13.Dec.16	12.Dec.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5270	299	5569	5270
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 14.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Dec-16	13-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2100	2125	-25
	Narella	Mill Quality Loose	Closed	2015	-
	Nazafgarh	Mill Quality Loose	Closed	2075	-
Gujarat	Rajkot	Mill Delivery	1920	1925	-5
	Ahmedabad	Mill Delivery	2025	2030	-5
	Surat	Mill Delivery	2060	2060	Unch
	Dhrol	Mill Quality Loose	2200	2160	40
M.P.	Indore	Mill Delivery	1950	1900	50
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1925	NR	-
		Mill Delivery	1975	NR	-
U.P.	Kanpur	Mill Delivery	1915	NR	-
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	2060	2060	Unch
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	Closed	1900	-
Punjab	Khanna	Mill Quality Loose	1900	1850	50

	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1825	1840	-15
	Hodal	Mill Delivery	2240	2240	Unch
	Bhiwani	Mill Quality Loose	2100	2100	Unch
	Karnal	Mill Delivery	2070	2000	70
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2400	NR	-
	Madurai	Mill Quality	2457	NR	-
	Coimbatore	Mill Quality	2457	NR	-
Bihar	Khagariya	Mill Delivery	1800	1850	-50
	Muzaffarpur	Mill Delivery	NR	NR	-
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NR	NR	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NR	NR	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			14-Dec-16	13-Dec-16	
Gujarat	Rajkot	Lokwan	2050	2050	Unch
M.P.	Indore	Lokwan	2100	2200	-100
	Bhopal	Lokwan	2000	1950	50
	Bina	Sarbati 306	Closed	2300	-
Rajasthan	Kota	LokwanBilty	2150	NR	-
	Baran	Lokwan	2000	1950	50

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			14-Dec-16	13-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2000	1800	200
	Narella	Mill Quality Loose	Closed	400	-
	Nazafgarh	Mill Quality Loose	Closed	50	-
Gujarat	Rajkot	Mill Quality Loose	1200	1000	200
	Dhrol	Mill Quality Loose	15	10	5
M.P.	Indore	Mill Quality Loose	1000	1500	-500
Rajasthan	Kota	Mill Quality	3000	NR	-
U.P.	Kanpur	Mill Quality Loose	2200	NR	-
	Mathura	Mill Quality Loose	200	100	100
	Kosi	Mill Quality Loose	400	300	100
	Hathras	Mill Quality Loose	60	50	10
	Aligarh	Mill Quality Loose	Closed	150	-
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	200	200	Unch
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi		14-Dec-16	13-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: 13.12.2016					
Contract Month	Open	High	Low	Close	Change
16-Dec	400.50	404.00	398.00	398.00	-3.25
17-Mar	417.25	420.75	414.00	417.50	0.25
17-May	428.25	431.25	425.00	428.25	0.50
17-Jul	440.25	443.00	437.00	440.00	0.25
17-Sep	453.50	456.00	450.50	453.00	-0.25
17-Dec	469.25	473.25	468.00	469.75	-0.50

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