

Wheat Domestic Fundamentals:

India has bought around 200000 tonnes of wheat from black sea region in the last week after Indian government scrapped import duty on wheat. Of the total quantity 150000 tonnes of wheat is from Ukraine and the remaining quantity is from Russia. Ukraine has already emerged as a key exporter of wheat to India as it has already exported around 900 thousand tonnes of wheat in the past five months.

Ukraine has become a key supplier of wheat to India in the past five months. It has exported around 900 thousand tonnes of wheat to India. Another factor apart from lower prices that supported such large quantities to be exported to India was revision of duty by India from 25% to 10%. As import duty has been scrapped now it will increase the flow of imports from Ukraine further.

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.

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:15.12.2016	
Contract Month	Ch. from previous day	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
16-Dec	11	2050	2050	2041	2041	70	30	2290	0
17-Jan	-7	2012	2020	2010	2017	660	310	4020	-170
17-Feb	1	1975	1975	1955	1975	70	30	660	50

Spread	Dec-16	Jan-17	Feb-17	
Spot Narela				
16-Dec	-21			
17-Jan		24		
17-Feb			42	

Stocks	Demat	In- Process	Total	FED
	14.Dec.16	14.Dec.16	14.Dec.16	12.Dec.16
Delhi	-	-	-	-
Itarsi	-	-	-	-
Kanpur	-	-	-	-
Kota	5270	319	5589	5270
Rajkot	-	-	-	-

Wheat Daily Prices and Arrivals on 15.12.2016

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15-Dec-16	14-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2100	2100	Unch
	Narella	Mill Quality Loose	2020	Closed	-
	Nazafgarh	Mill Quality Loose	2050	Closed	-
Gujarat	Rajkot	Mill Delivery	1915	1920	-5
	Ahmedabad	Mill Delivery	2010	2025	-15
	Surat	Mill Delivery	2050	2060	-10
	Dhrol	Mill Quality Loose	2255	2200	55
M.P.	Indore	Mill Delivery	1950	1950	Unch
	Bhopal	Mill Quality Loose	1850	1850	Unch
Rajasthan	Kota	Mill Quality Loose	1860	1925	-65
		Mill Delivery	1925	1975	-50
U.P.	Kanpur	Mill Delivery	1900	1915	-15
	Mathura	Mill Quality Loose	1900	1900	Unch
	Kosi	Mill Quality Loose	1950	2060	-110
	Hathras	Mill Quality Loose	2100	2100	Unch
	Aligarh	Mill Quality Loose	NA	Closed	-
Punjab	Khanna	Mill Quality Loose	1850	1900	-50
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-

Haryana	Sirsa	Mill Delivery loose	1800	1825	-25
	Hodal	Mill Delivery	2240	2240	Unch
	Bhiwani	Mill Quality Loose	Closed	2100	-
	Karnal	Mill Delivery	2070	2070	Unch
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2350	2400	-50
	Madurai	Mill Quality	2407	2457	-50
	Coimbatore	Mill Quality	2407	2457	-50
Bihar	Khagariya	Mill Delivery	1850	1800	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
			15-Dec-16	14-Dec-16	
Gujarat	Rajkot	Lokwan	2075	2050	25
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2300	Closed	-
Rajasthan	Kota	LokwanBilty	2200	2150	50
	Baran	Lokwan	2000	2000	Unch

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			15-Dec-16	14-Dec-16	
Delhi	Lawrence Road	Mill Delivery	2000	2000	Unch
	Narella	Mill Quality Loose	250	Closed	-
	Nazafgarh	Mill Quality Loose	100	Closed	-
Gujarat	Rajkot	Mill Quality Loose	800	1200	-400
	Dhrol	Mill Quality Loose	30	15	15
M.P.	Indore	Mill Quality Loose	1000	1000	Unch
Rajasthan	Kota	Mill Quality	3000	3000	Unch
U.P.	Kanpur	Mill Quality Loose	2500	2200	300
	Mathura	Mill Quality Loose	250	200	50
	Kosi	Mill Quality Loose	350	400	-50
	Hathras	Mill Quality Loose	60	60	Unch
	Aligarh	Mill Quality Loose	NA	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	Closed	200	-200
	Karnal	Mill Delivery	NR	NR	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	15-Dec-16	14-Dec-16	Change
Atta (50kg) Ordinary	1190	1190	Unch
Maida Grade 1 (50KG)	1545	1510	35
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	1220	1250	-30
Chakki Atta (90kg) Superfine	1978	1978	Unch
Chakki Atta (50kg) Superfine	1080	1080	Unch

Wheat (CBOT) Future Price: 14.12.2016					
Contract Month	Open	High	Low	Close	Change
16-Dec	397.25	397.25	391.50	391.50	-6.50
17-Mar	417.00	418.50	413.00	418.00	0.50
17-May	427.50	429.50	424.25	429.00	0.75
17-Jul	439.25	441.50	436.00	441.00	1.00
17-Sep	452.00	454.00	449.25	454.00	1.00
17-Dec	467.00	471.00	466.00	470.25	0.50

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