

Wheat Domestic Fundamentals:

Wheat futures recovered once again after a dip in last trading session taking clue from firm inner tone in the cash market. Market participants opine that a downward correction was due in the beginning of the week and it materialized. Overall sentiments for FAQ varieties remain firm. in the short to medium term. Wheat is being traded in the range of Rs 1590 to Rs 1660 per qtl., depending upon sourcing place and quality of the seed.. Rake loading is being reported at Rs 1790 to 1810 per qtl. from Kota to Bangalore.

Wheat import during the week ending 18th Oct - was registered only 2 tonne at an average CiF quote of \$100.98 per tonne. As parity is not in favour of India, export volume is unlikely to increase in the coming weeks. Export volume was registered at 1244.65 tonne during the same period at an average FoB of \$310.03 per tonne. Wheat has been imported from Australia and offloaded at Cochin port.

Govt increased import duty on wheat from 10 percent to 25 percent to check the current flow of import. At current duty wheat costing at Cochin port from Australi, Russia and France may be around \$329.35,291.49 and \$271.77 respectively per T.against this Indian wheat FoB is \$257 per T at Kandla Port.

Agriwatch preliminary estimate (based on pre sowing farmer's intention) shows slightly lower area coverage under wheat than last year. Area coverage may dip slightly in Rajasthan. Wheat sowing starts in Gujarat and may get delayed by a week or two in other states. Total area coverage may touch 304 lakh ha. Under normal condition wheat production is expected around 94 MMT in 2015-16 crop year.

Wheat stock in central pool was registered at 336.65 lakh tonne as on 16.09.2015. Stock in transit was reported at around 3.46 lakh tonne while wheat lying in mandis was registered at 0.35 lakh tonne. As on first October India requires 175.20 lakh tonne as buffer stock and 30 lakh tonne as reserve stock. In Sept 2014 central pool stock was registered at 351.72 lakh tonne. It is 1.98 percent lower than the available stock in Sept, 2014.

The CACP(Commission for Agricultural Costs and Prices) has recommended to hike wheat MSP by 5.17 percent from Rs 1450 to Rs 1525 per qtl for wheat to be marketed in MY2016-17. In general Agriculture Ministry accepts CACP recommendation. However, ministry will prepare a cabinet note after taking suggestion from states and other ministries.

Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released First Adv. Estimate for kharif crop for 2015-16 on 16th Sept,2015. Production target for wheat in Rabi has been set at 94.75 lakh tonne. In fourth adv. estimate it has revised wheat production estimate for 2014-15 to 90.78 lakh tonne. Notably, India has produced 95.85 million tonne wheat in 2013-14.

International Market Update:

Egypt has brought 2.4 lakh tonne Russian and Romanian wheat At an average price of \$212.16 per tonne including freight. Deals have been struck for 60,000 Russian wheat at at \$201.98 a tonne, plus \$9.10 a tonne freight from Aston. Romanian wheat from Glencore at \$203.65 a tonne plus \$9.08 a tonne freight. French wheat from Soufflet at \$204.74 a tonne plus \$11.99 a tonne freight.

IGC has revised wheat production estimate by 7 million tonne to 727 MMT on the basis of improved production prospects in Russian Ukraine, Australia and EU. It might be a final production estimate for the year. Previously IGC had increased production estimate from 710 to 720 MMT.

Saudi Arabia may Import 3.5 MMT wheat in 2016.In 2015 total wheat import may touch 3.4 MMT.As Saudi Arabia has abandoned its plan to achieve self sufficiency, import volume is expected to increase continuously.

Domestic market Outlook: Wheat cash market is likely trade firm.

[illegible]

| Spread | Nov-15 | Dec-15 | Jan-16 | Feb-16 |
|--------------------|--------|--------|--------|--------|
| Spot Narela | | | | |
| 15-Nov | -3 | | | |
| 15-Dec | | 28 | | |
| 16-Jan | | | - | |

| Stocks | Demat | In- Process | Total | FED |
|---------------|------------------|------------------|------------------|------------------|
| | 26-Oct-15 | 26-Oct-15 | 26-Oct-15 | 26-Oct-15 |
| Delhi | | | | |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 14057 | 0 | 14057 | 14057 |
| Rajkot | - | - | - | - |

Wheat Daily Prices and Arrivals on 27.10.2015

| | Market | Variety | Prices (Rs/Qtl) | | Change |
|-------------------|--------------------------|---------------------|------------------|------------------|-------------|
| | | | 27-Oct-15 | 26-Oct-15 | |
| Delhi | Lawrence Road | Mill Delivery | 1680 | 1690 | -10 |
| | Narella | Mill Quality Loose | 1650 | 1655 | -5 |
| | Nazafgarh | Mill Quality Loose | 1625 | 1625 | Unch |
| | | | | | |
| Gujarat | Rajkot | Mill Delivery | 1660 | 1670 | -10 |
| | Ahmedabad | Mill Delivery | 1690 | 1710 | -20 |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| | Surat | Mill Delivery | 1740 | 1750 | -10 |
| M.P. | Bhopal | Mill Quality Loose | 1525 | 1525 | Unch |
| | Indore | Mill Delivery | 1710 | 1710 | Unch |
| Rajasthan | Kota | Mill Quality Loose | 1550 | 1550 | Unch |
| | | Mill Delivery | 1650 | 1650 | Unch |
| U.P. | Kanpur | Mill Delivery | 1560 | 1565 | -5 |
| | Mathura | Mill Quality Loose | 1510 | 1500 | 10 |
| | Kosi | Mill Quality Loose | 1535 | 1540 | -5 |
| | Hathras | Mill Quality Loose | 1525 | NR | - |
| | Aligarh | Mill Quality Loose | 1525 | 1500 | 25 |
| Punjab | Khanna | Mill Quality Loose | NA | NA | - |
| | (Ludhiana)Jagraon | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 1560 | 1560 | Unch |
| | Hodal | Mill Delivery | NA | NA | - |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 1600 | 1600 | Unch |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 1880 | 1880 | Unch |
| | Madurai | Mill Quality | 1937 | 1937 | Unch |
| | Coimbatore | Mill Quality | 1937 | 1937 | Unch |
| Bihar | Sitamari | Mill Delivery | Closed | Closed | - |
| | Khagariya | Mill Delivery | NR | 1660 | - |
| FOR | Kandla(Rajasthan-Rajkot) | Mill Quality | 1600 | 1600 | Unch |

| | | | | | |
|--|------------------------------|--------------|------|------|------|
| | Gandhidham(Rajasthan-Rajkot) | Mill Quality | 1600 | 1600 | Unch |
|--|------------------------------|--------------|------|------|------|

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 27-Oct-15 | 26-Oct-15 | |
| Gujarat | | | | | |
| | Rajkot | Lokwan | 2000 | 2000 | Unch |
| | Dhrol | Lokwan | NR | NR | - |
| M.P. | Indore | Lokwan | 2000 | 2000 | Unch |
| | Bhopal | Lokwan | 1700 | 1750 | -50 |
| | Bina | Sarbati 306 | Closed | 2400 | - |
| Rajasthan | Kota | Lokwan Bilty | 1750 | 1800 | -50 |
| | Baran | Lokwan | NA | NA | - |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 27-Oct-15 | 26-Oct-15 | |
| Delhi | | | | | |
| | Lawrence Road | Mill Delivery | 3000 | 5000 | -2000 |
| | Narella | Mill Quality Loose | 250 | 300 | -50 |
| | Nazafgarh | Mill Quality Loose | 200 | 150 | 50 |
| Gujarat | Rajkot | Mill Quality Loose | 1200 | 1500 | -300 |
| | Dhrol | Mill Quality Loose | NR | NR | - |
| M.P. | Indore | Mill Quality Loose | 3000 | 1000 | 2000 |
| Rajasthan | Kota | Mill Quality | 6000 | 4000 | 2000 |
| U.P. | Kanpur | Mill Quality Loose | 300 | 500 | -200 |
| | Mathura | Mill Quality Loose | 300 | 300 | Unch |
| | Kosi | Mill Quality Loose | 700 | 500 | 200 |
| | Hathras | Mill Quality Loose | 400 | NR | - |
| | Aligarh | Mill Quality Loose | 1000 | 1000 | Unch |
| Punjab | Khanna | Mill Quality Loose | NA | NA | - |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 100 | 200 | -100 |
| | Hodal | Mill Quality Loose | NA | NA | - |
| | Karnal | Mill Delivery | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 600 | 500 | 100 |

| Wheat (CBOT) Future Price: 26.10.2015 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 15-Dec | 493.25 | 512.00 | 493.25 | 509.00 | 18.50 |
| 16-Mar | 499.50 | 517.00 | 499.50 | 514.75 | 17.50 |
| 16-May | 506.25 | 521.00 | 505.00 | 519.25 | 17.75 |



| | | | | | |
|--------|--------|--------|--------|--------|-------|
| 16-Jul | 507.75 | 522.75 | 507.50 | 521.25 | 18.25 |
| 16-Sep | 518.75 | 531.00 | 516.25 | 529.75 | 18.50 |
| 16-Dec | 532.75 | 544.00 | 529.25 | 543.25 | 17.75 |

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