

Executive Summary:

Wheat cash market is expected to stay firm in the month of Oct.-2015 despite better sowing conditions for early start with decreasing temperature in the morning and evening session of the day. Wheat sowing is expected to start by the end of 1st week of Oct. in Gujarat and Madhya Pradesh. Area coverage is expected to match last year's level and hinge between 30.4 to 30.6 million ha. Slight variation could be seen in Rajasthan and Gujarat where farmers may shift to other lucrative crops like Mustard, Chana and Spices. These cash crops need less water in comparison to wheat.

Supply side is almost balanced as continuous release from central pool stock is meeting additional demands generated by festive season. Wheat stock in central pool decreased from 34.47MMT to 33.66 MMT in the first fortnight of Sept-2015. In August total off-take was reported 2.30MMT. Normally, wheat off-take is 2.5 to 3.0 MMT per month in lean season starting from August.

New wheat would start hitting the market in another 5 months. This implies that the government would need to release around 12.5 to 13.0 MMT wheat in next five months against available stock of 33.66 MMT. Hence supply side would remain normal despite firm sentiments.

Demand for wheat products is strong in domestic market and seasonal factors like decreasing private stock, demand for seed and proposed MSP hike by CACP (From Rs 1450 to Rs 1525 per qtl.) would continue to support cash market as usual. The silver lining is that there is no export demand for Indian wheat.

Global wheat market seems in a glut like condition. IGC has increased production estimate from 720 to 727MMT while USDA has revised it from 725.24 to 731.60MMT. Carryout would increase from 211.30 to 226.55MMT. Global trade is expected to increase at slow pace against this consumption. With these developments bearish outlook for global wheat market is very much visible.

Domestic market may stay steady to slightly firm.

India's Wheat QuaterlyBalance Sheet:

	2014-15	2015-16	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	17.75	18.55	18.55	84.19	60.74	37.44
Production	95.8	88.94	88.94	0	0	0
Imports	0	1	0.25	0.25	0.25	0.25
Total Availability	113.55	108.49	107.74	84.44	60.99	37.69
Consumption	92	93	23.25	23.25	23.25	23.25
Exports	3	1.5	0.3	0.45	0.3	0.45
Total Usage	95	94.5	23.55	23.7	23.55	23.7
Carry out	18.55	13.99	84.19	60.74	37.44	13.99
Av Monthly Consumption	7.67	7.75	7.75	7.75	7.75	7.75
Stock to Month Use	2.42	1.81	10.86	7.84	4.83	1.81
Stock to Consumption Ratio	0.20	0.15	3.62	2.61	1.61	0.60

Source:Agriwatch (Production Fig has been taken from 4thadv estimate)

Supply- Demand Highlights:

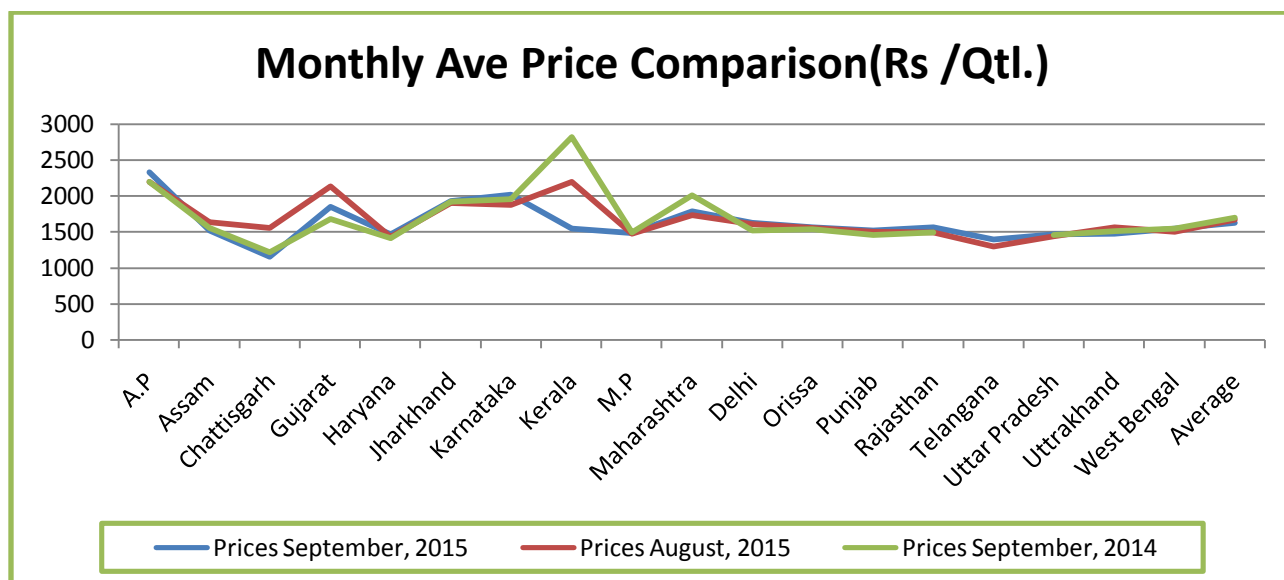
- Wheat production in India(to be marketed in 2015-16) decreased drastically in 2014-15 to 88.94 million tonne.Decrease in production by 6.86 million tonne from last year has directly impacted total availability in 2015-16 that decreased from 113.55 to 108.49 million tonne.
- Carryout for 2016-17 would decrease to 13.99 million tonne, the lowest level in last five years. In 2009 carryout was registered at 13.42 million tonne.
- At export front there is not much scope for Indian wheat due to lower offering by other exporting countries.Russia and Australia are offering wheat at \$60 and \$30 per tonne lower than India. France wheat is even cheaper.So export opportunity for India is discouraging right now.
- The current MY may end up with 1 million tonne wheat import as projected by Agriwatch in march-2015 after assessing rain impact. Around 0.5 million tonne wheat has been imported so far.
- Tight supply side may be experienced for premium grade wheat October onwards. However, continuous release from govt.'s godowns would check price for milling grade wheat in second and third quarter.

Domestic Market Highlights:

- The CACP has proposed to hike wheat MSP from RS 1450 to Rs1525 per qtl.
- Rake loading from Kota region to Tamil Nadu/Karnataka is being reported at Rs 1795/1800 per qtl.
- India exported 29256.2 tonne wheat in Sep at an ave FoB of \$277.69 per tonne.
- Import volume till 27th Sept was reported at only 75.34 tonne at an ave CiF of\$330.77 per tonne in Sept.
- Agriculture statistics Division, DES has revised wheat production estimate down by 1.78 MMT to 88.94 MMT. India has produced 95.85 million tonne wheat in 2013-14.

- Wheat stock in central pool was registered at 33.66MMT as on 16.09.2015
- As on first October India requires 175.20 lakh tonne as buffer stock with 30 lakh tonne as reserve stock.
- India procured around 28.08 MMT wheat in MY 2015-16
- The basic customs duty of 10 per cent on wheat import will remain effective till March 31 ,2016.

Monthly Average Price Comparison:



Source: Agmarknet

All India ave monthly price, ruled slightly higher in Sept in Karnataka, Kerala and Maharashtra in comparison to August, 2015. However, all India ave decreased from Rs 1674.06 to Rs 1627.34 per qtl. Average price of wheat in other States is moving in a narrow range as depicts the above given chart. As sentiments remain firm, ave price is expected to increase in the month of Oct. once again on seasonal factors.

State wise Area Coverage under Wheat as on 13-02- 2015:

Si.No	State	Normal Area	Average Area as on Date	Area Shown reported	
				This Year	Last Year
1	Assam	0.48	0.46	0.18	0.22
2	Bihar	21.61	23.04	23.03	22.87
3	Chhattisgarh	1.04	1.69	1.69	1.53
4	Gujarat	11.24	12.11	11.46	15.00
5	Haryana	24.98	24.99	24.90	24.95
6	Himachal	3.58	3.59	3.58	3.59
7	J & K	2.89	2.36	2.44	2.46
8	Jharkhand	1.24	1.40	1.62	1.69
9	Karnataka	2.51	2.35	1.86	1.93
10	M.P	45.18	49.34	58.44	57.92
11	Maharashtra	10.05	9.84	8.88	10.87

12	Punjab	35.2	35.14	35.00	35.00
13	Rajasthan	26.33	27.45	27.71	30.41
14	Uttar Pradesh	96.57	96.89	98.67	99.56
15	Uttar Khand	3.80	3.77	3.25	3.58
16	West Bengal	3.15	3.74	3.44	3.46
17	Others**	0.44	0.37	0.19	0.27
18	Total	290.29	298.52	306.35	315.32

Source:-Ministry of Agriculture (Area in lakh hectare)

Note:Wheat sowing is expected to commence in the second week of Oct.So progressive area will be available from Oct end or Nov.2015

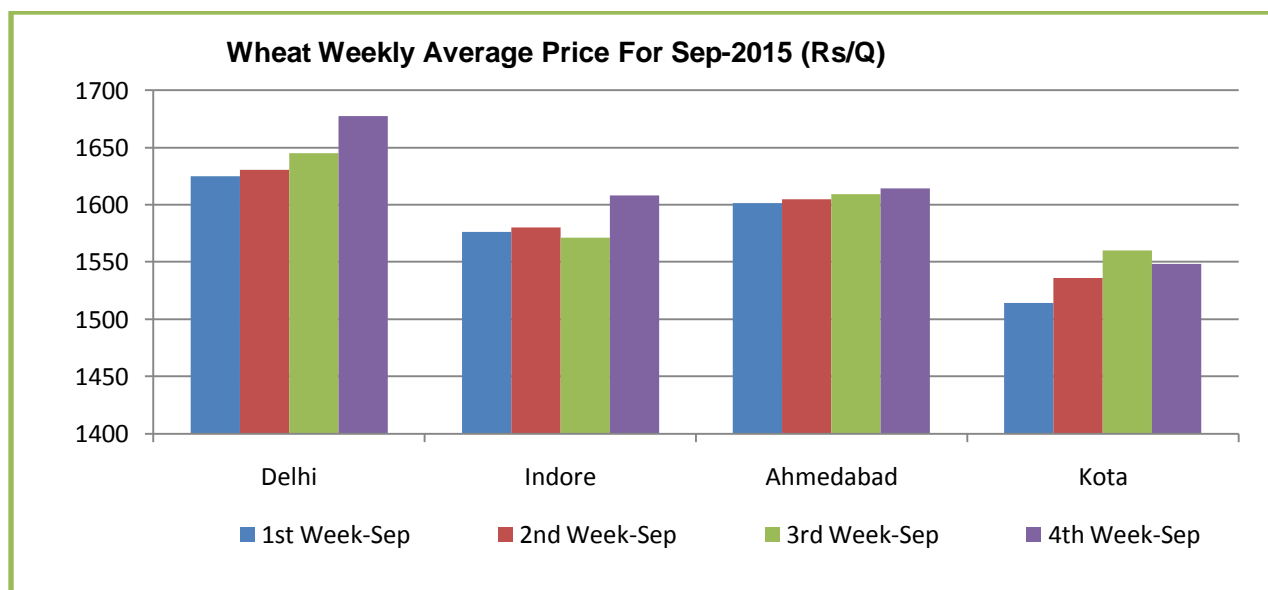
APY Of Wheat:

State/ UT	Area					Production					Yield				
	201 0- 11	201 1- 12	201 2- 13	201 3- 14*	201 4- 15**	201 0- 11	201 1- 12	201 2- 13	201 3- 14*	201 4- 15**	201 0- 11	201 1- 12	201 2- 13	201 3- 14*	201 4- 15**
Andhra Pradesh	10	8	8	0	8	13	11	10	12	11	130 0	137 5	125 0	1375	1331
Assam	45	53	34	22	17	53	60	44	58	20	117 9	114 7	130 4	1147	1198
Bihar	210 4	214 2	220 8	228 7	224 7	409 8	472 5	535 7	487 5	545 4	194 8	220 6	242 7	220 6	2427
Chhatis garh	111	109	101	153	152	127	133	141	131	190	114 4	122 7	139 6	1227	1274
Gujarat	127 4	135 1	102 4	150 0	114 0	401 9	407 2	294 4	333 6	333 6	315 5	301 4	287 5	301 4	2927
Haryana	251 5	252 2	249 7	249 5	249 0	116 30	126 86	111 17	132 38	119 00	462 4	503 0	445 2	503 0	4778
Himacha l Pradesh	357	357	364	359	360	546	596	608	574	588	153 0	167 1	167 1	1671	1636
Jammu & Kashmir	291	296	290	246	241	446	500	462	527	392	153 5	168 9	159 5	168 9	1627
Jharkha nd	96	159	164	169	154	158	303	319	313	285	164 2	190 8	194 4	190 8	1851
Karnata ka	255	225	225	193	175	279	193	179	212	158	109 4	858	796	858	901
Madhya Pradesh	434 1	488 9	530 0	579 2	567 8	762 7	115 39	131 33	123 80	123 81	175 7	236 0	247 8	232 0	2180
Maharas htra	130 7	843	733	108 7	713	230 1	131 3	118 1	897	104 3	176 1	155 8	152 8	1558	1464
Orissa	3	1	0	0	1	4	2	2	2	2	145 8	164 4	167 2	164 4	1604
Punjab	351 0	352 8	351 2	350 0	356 6	164 72	172 80	165 91	181 82	160 98	469 3	489 8	472 4	489 8	4515
Rajastha n	247 9	293 5	306 3	304 1	278 5	721 4	932 0	927 5	894 1	806 0	291 0	317 5	302 8	314 0	2894
Uttar Pradesh	963 7	973 1	973 4	995 6	975 1	300 01	302 93	303 01	302 99	294 39	311 3	311 3	311 3	297 5	3019
Uttarakh and	379	369	358	358	371	878	878	858	898	889	231 6	237 9	239 6	237 9	2396

West Bengal	317	316	322	346	323	874	873	895	939	896	2760	2765	2786	2765	2769
Others				27											
All India	29068.59	29864.77	30003.3	31532	30171.21	86873.95	94882.06	93506	96038.76	91142	2989	3177	3117		

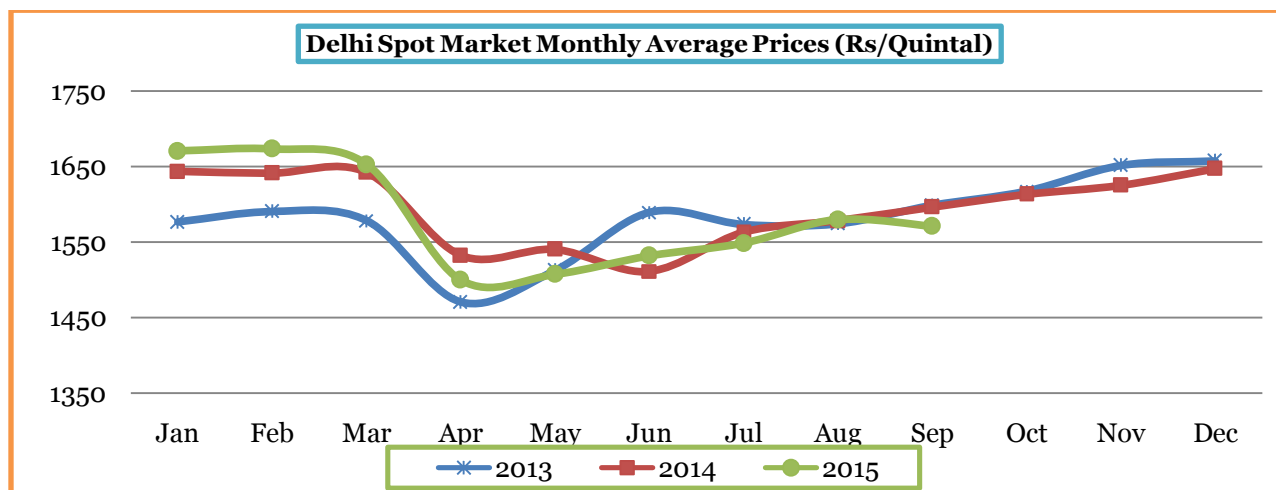
Note:*Agriwatch Estimate.

Wheat Weekly Average Price Movement at key Spot Market:

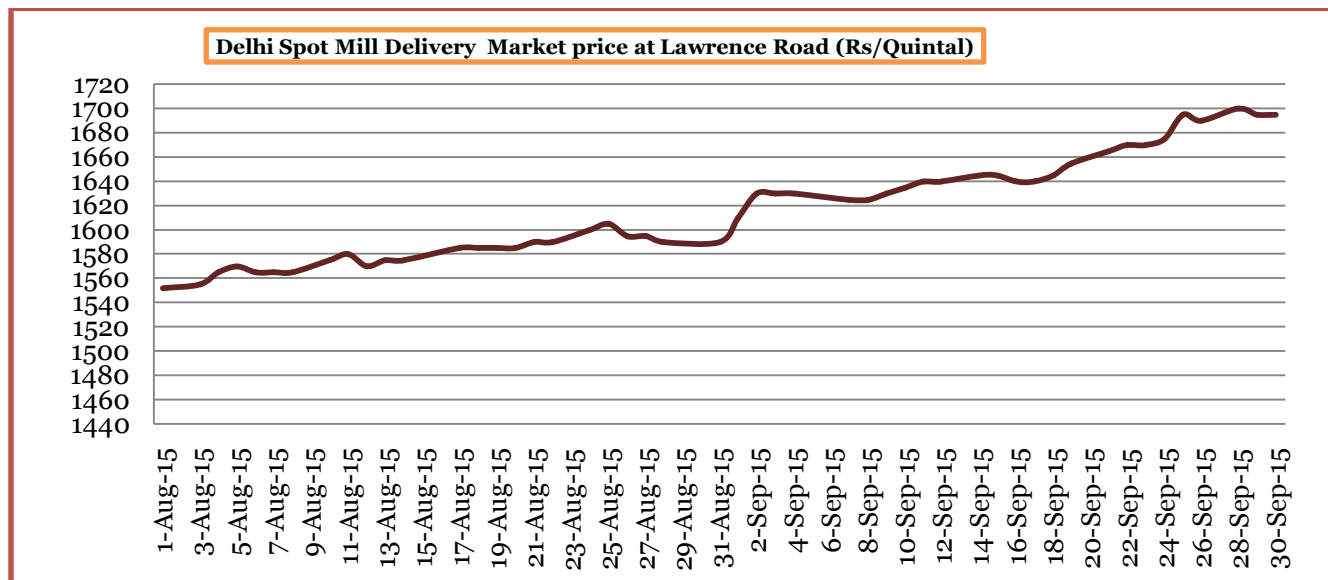


Weekly average price in the month of Sept improved in all markets except Kota in Rajasthan week on week basis. Short supply of quality wheat, higher demand for wheat products and restricted arrivals remain supportive to the cash market fundamental. Market is likely to trade steady to slightly firm in October too in major bench mark markets. However, any spike is unlikely in the third quarter of the year.

Wheat Average Monthly Prices Movement During Last Three Years



Wheat spot market(Delhi) ave price decreased slightly during the month of Sept in comparison to August,2015 due to balanced supply demand side.Ave price may improve in October as domestic market is firm. Wheat price in Delhi during Sept,2014 was ruling at Rs 1596 per qtl.In Sept,2015 it was ruling at Rs1570.75 per qtl. Cash market may rule slightly lower than the price of Oct., 2014.



Wheat Exports From India

Yearly/Monthly Quantity	Wheat Export(Lakh T)	Average FOB Quotes India(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.4	232.12	237.46
Apr 12 - Mar 13	65.14	298.18	286.71
Apr 13 - Mar 14	55.59	282.82	241.6
Apr-14-Mar-15	29.25	279.96	230.37
15-Apr	62669.6	266.56	184.07
15-May	25815.69	251.04	187.49
15-Jun	17388.6	268.7	190.63
15-Jul	35104.35	274.91	200.86
15-Aug	8758.47	270.51	182.61
15-Sep	29256.2	277.69	184.1
15-Oct			
15-Nov			
15-Dec			
16-Jan			
16-Feb			
16-Mar			
Total 2015-16("000"T)	178992.91	266.00	186.57

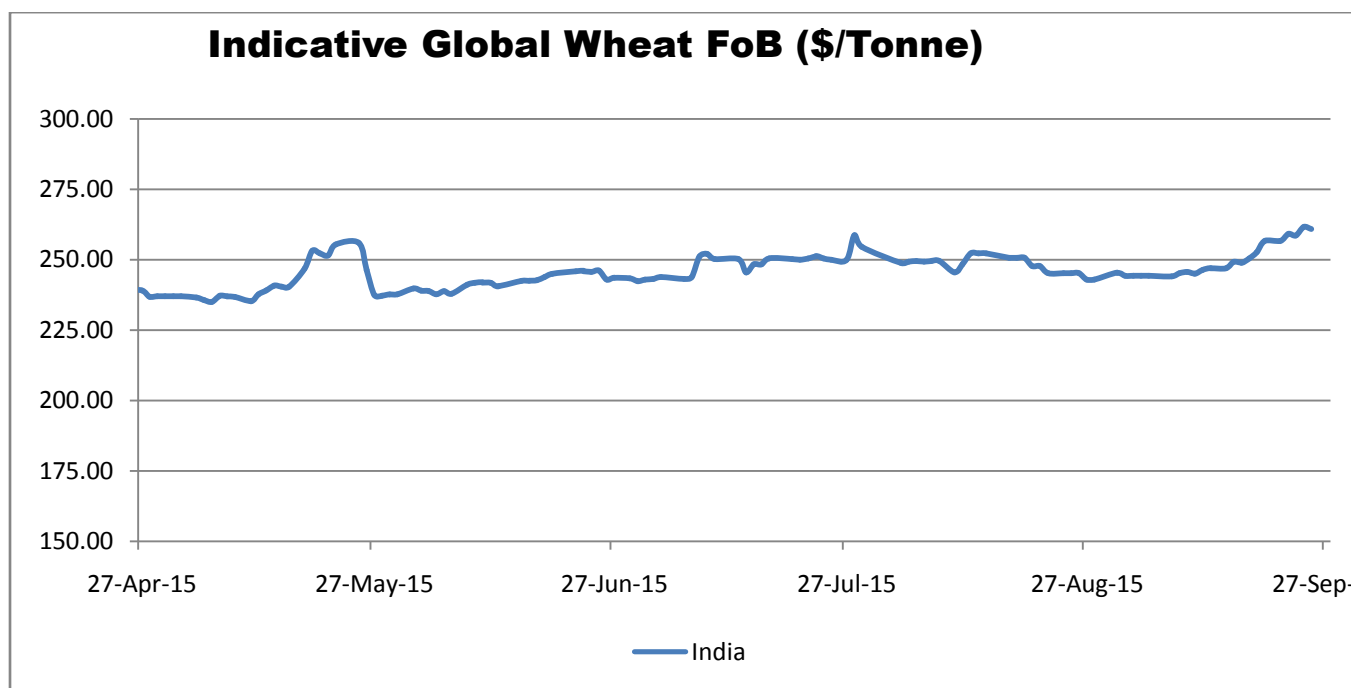
(Source: DGCIS, *Provisional data from IBIS)

According to IBIS data, India had exported 29256.2tonne wheat in the month of Sep(till 27th, Sept,2015) at an ave FoB price of \$266.00 per tonne. It was higher than exported volume in August,2015. During this period FoB quote increased from \$270.51 to \$ 277.69 per tonne. As there is no parity, export volume would remain at lower ebb in the month of Oct. too.

Wheat Import From India:

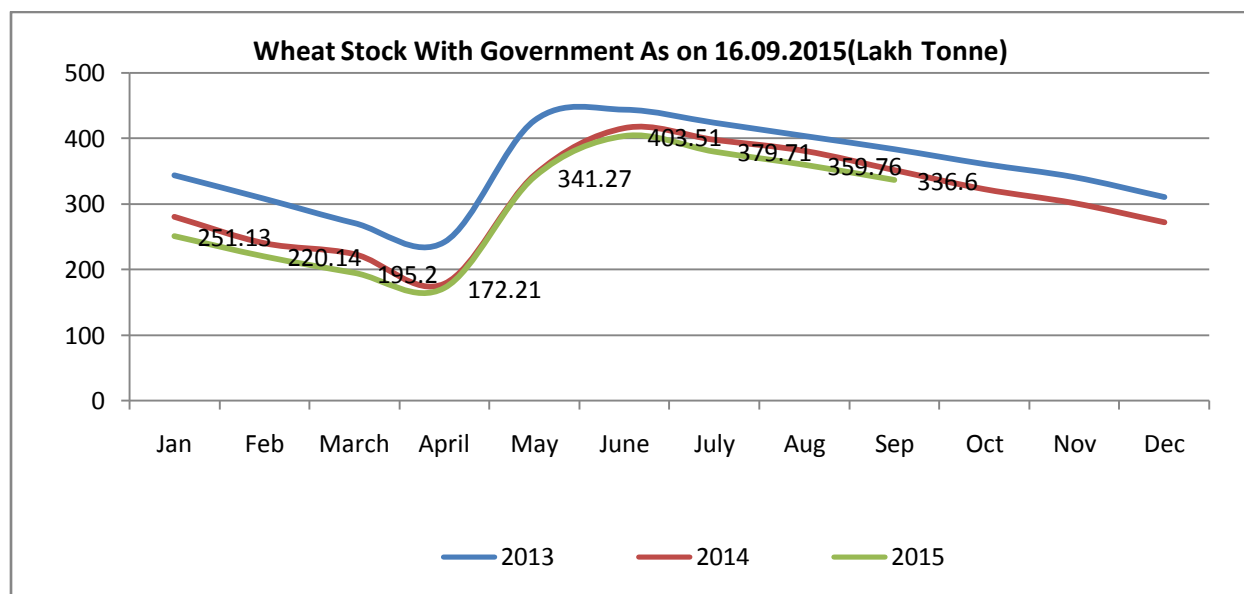
April -2015 (MY-2015-16)	Wheat Import (InThousand Tonne)	Average CIF Quotes India (USD/MT)	CBOT Average Quotes (USD/MT)
15-Apr	Negligible	NA	184.07
15-May	38401.64	300.93	187.49
15-Jun	97078.18	289.02	190.63
15-Jul	126511.11	279.16	200.86
15-Aug	153754.27	272.54	182.61
15-Sep	75.43	330.77	184.1
15-Oct			
15-Nov			
15-Dec			
16-Jan			
16-Feb			
16-Mar			
Total 2015-16	415820.63	294.48	186.57

Wheat import in Sept,2015 decreased from 153754.27 tonne to 75.43 tonne at an ave CiF of \$330.77 per tonne. Total import has crossed 4.15 lakh tonne till 27th Sept-2015. Import duty has impacted import volume to some extent.



Indian Fob quote has increased in Sep in comparison to August-2015. FoB quote may go up from current level despite weak global market sentiment as prices in domestic market have started firming up.. FOB quote has been considered from Rajkot to Kandla. There is no quote available from Rajasthan and M.P. due to negative parity at this point of time.

Wheat Stocks with the Government as on 1st of Every Month



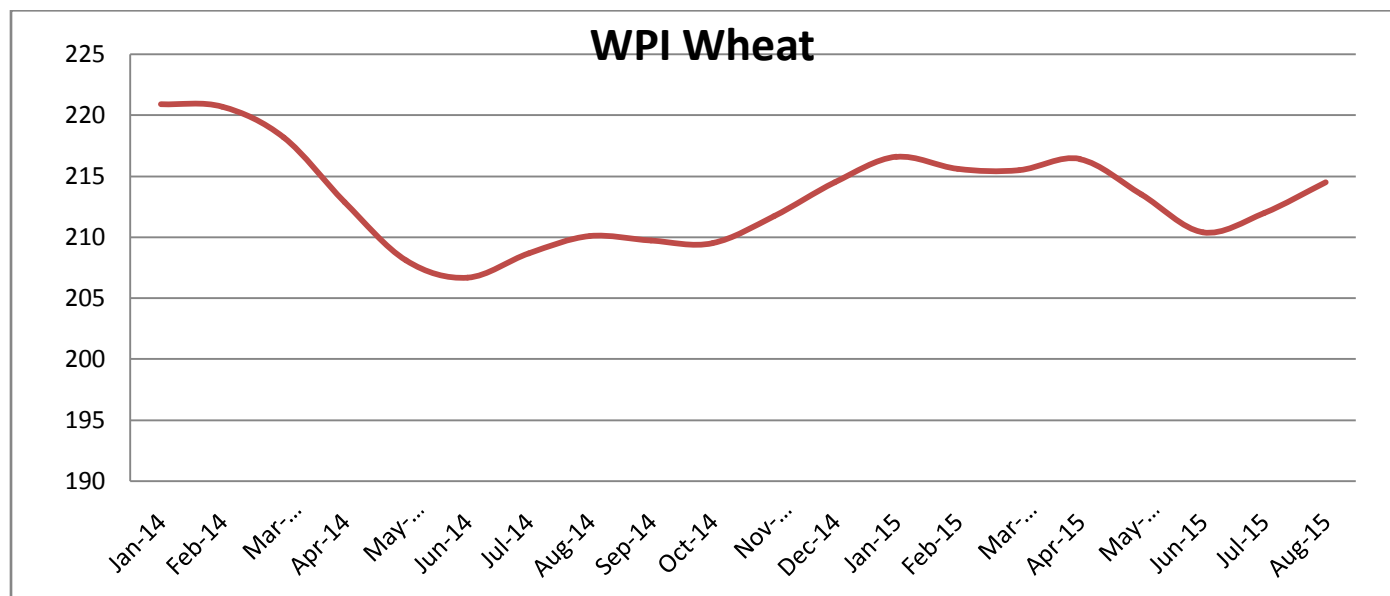
Wheat stock in government's ware houses on 16.09.2015 was registered at 336.6 lakh tonne. Stock is lower than 2013, 2014 due to lower procurement. This year carry out may decrease considerably due to crop loss. Stock is expected to decrease to 13.99 million tonne by end March, 2016.

Wheat procurement:

States	Total During 2014-15	Target For 2015-16	Procurement for the season as on 13th July, 2014	Procurement for the season as on 14th July, 2015	% Ch till date
Punjab	116.41	125	107.74	103.44	-3.99%
Haryana	64.95	65	64.14	67.78	5.68%
UP	6.28	30	6.28	22.67	260.99%
M.P.	70.94	78	71.88	73.09	1.68%
Bihar	0	0	0	0	
Rajasthan	21.59	20	21.54	13	-39.65%
Uttarakhand	0.01	1.2	0.01	0.04	300.00%
Chandigarh	0.05	0	0.05	0.11	120.00%
Delhi	0	0		0.02	
Gujarat	0	1		0.73	
Jharkhand	0	0			
HP	0	0			
Maharashtra	0	0.2			
J&K		0			
West Bengal	0	0.2			
Others	0	0.4	0.02	0	
TOTAL	280.23	321	271.66	280.88	3.39%

Note: Fig in lakh tonne Source :FCI Wheat procurement is up by 3.39 percent till 14th July, 2015.

Wheat Inflation:



Weight: 1.11595, base year-2004-05=100

Wheat WPI has increased slightly to 214.5 in Aug, 2015 from 212.9 in July, 2015. Wheat prices may rule steady to slightly firm in the month of Oct-2015.

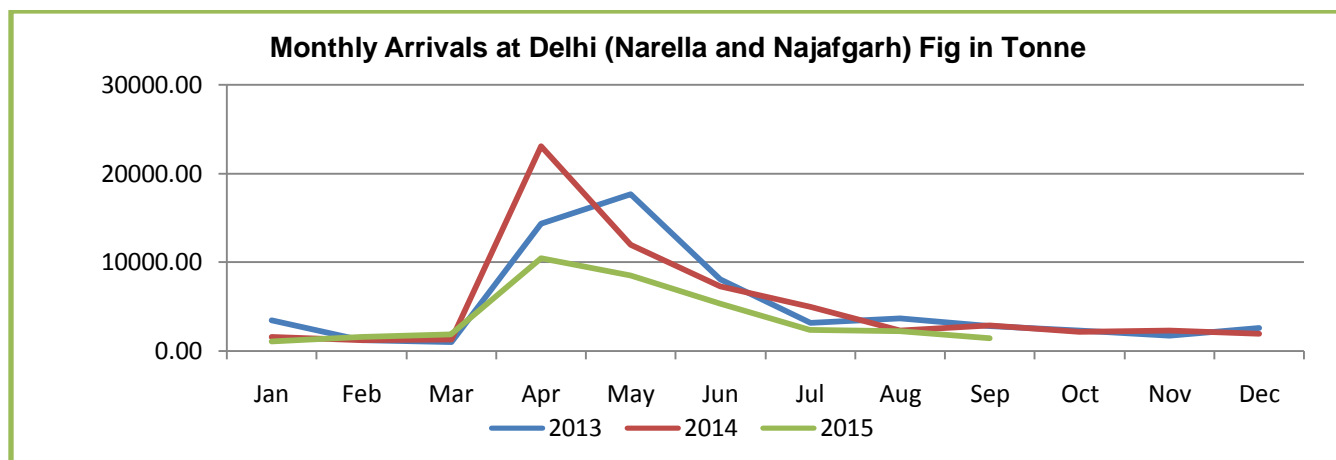
Monthly Average Prices at Various Spot Market(Rs/Qtl.)					
	Delhi	Indore	Kota	Rajkot	Chennai
14-Mar	1642.08	1593.33	1655	1530.3	1987.14
14-Apr	1532	1527.5	1521.7	1511.2	1866.1
14-May	1540	1575.65	1531.42	1518.4	1845.47
14-Jun	1510.48	1509.58	1493.95	1438.04	1780
14-Jul	1562.42	1617.4	1569.54	1512.6	1799.31
14-Aug	1579	1624.04	1581.31	1504.47	1801.36
14-Sep	1596.5	1592.6	1560	1539.8	1778.4
14-Oct	1613.39	1575.14	1564.75	1540.33	1792.4
14-Nov	1625.2	1595.22	1563.75	1626.59	1814.37
14-Dec	1647.11	1637.04	1603.65	1649.42	1831.53
15-Jan	1669.6	1682.95	1666.36	1713.47	1843.18
15-Feb	1673.33	1563.86	1592.61	1567.95	1803.57
15-Mar	1652.48	1449	1487.63	1459	1720.26
15-Apr	1499.16	1434.52	1442	1402.04	1683.8
15-May	1506.92	1492.82	1468.6	1410.2	1700

15-Jun	1531.54	1519.25	1537.25	1479.95	1708
15-Jul	1548	1534.3	1455.4	1508.4	1738
15-Aug	1579.45	1518.18	1433.25	1520	1740.21
15-Sep	1588.75	1511.95	1466.13	1480.22	1768.86

Monthly Price Comparison of Spot Markets:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30/09/2015	30/08/2015	
Delhi	Lawrence Road	Mill Delivery	1695	1630	65
	Narella	Mill Quality Loose	Closed	1550	-
	Nazafgarh	Mill Quality Loose	Closed	1535	-
Gujarat	Rajkot	Mill Delivery	1540	Closed	-
	Ahmedabad	Mill Delivery	1610	Closed	-
	Dhrol	Mill Quality Loose	Closed	NR	-
	Surat	Mill Delivery	1660	Closed	-
M.P.	Bhopal	Mill Quality Loose	1500	1450	50
	Indore	Mill Delivery	1650	1575	75
Rajasthan	Kota	Mill Quality Loose	1470	1450	20
		Mill Delivery	1550	1520	30
U.P.	Kanpur	Mill Delivery	1540	1510	30
	Mathura	Mill Quality Loose	1520	1440	80
	Kosi	Mill Quality Loose	1570	1440	130
	Hathras	Mill Quality Loose	1460	1420	40
	Aligarh	Mill Quality Loose	Closed	1450	-
Punjab	Khanna	Mill Quality Loose	1530	1510	20
	(Ludhiana)Jagraon	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1522	1510	12
	Hodal	Mill Delivery	1700	1610	90
	Karnal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1600	1490	110
	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	1800	1725	75
	Madurai	Mill Quality	1857	1782	75
	Coimbatore	Mill Quality	1857	1782	75

Monthly Arrivals at Delhi (Narella and Najafgarh)



Domestic Outlook:

Wheat cash market is expected to trade steady to slightly firm in the coming weeks. Tight supply side may be felt for premium/milling grade wheat that may lend support to FAQ and premium milling grade wheat. However, any spike in milling grade (luster loss) wheat is unlikely. Wheat would continue to trade in the range of Rs 1550 to Rs 1650 per qtl. in cash market depending on source and quality of wheat.

SWOT Analysis of Wheat

Strength

- Comfortable stock position.
- Import option open despite imposition of 10 percent duty.
- Govt. release mechanism/allocation through OMSS.
- Better sowing condition

Weakness

- Lower availability of quality/premium grade wheat in Rajasthan, Gujarat and MP.
- Disparity for export at current level
- Weak Infrastructure.
- Lack of branded quality wheat quality.

Opportunity

- Additional demand from Bangladesh and Nepal.
- Winter wheat sowing condition in Russia/US is unfavourable.
- Higher demand for premium grade like Lokwan, Sharbati and Tukda.

Threat

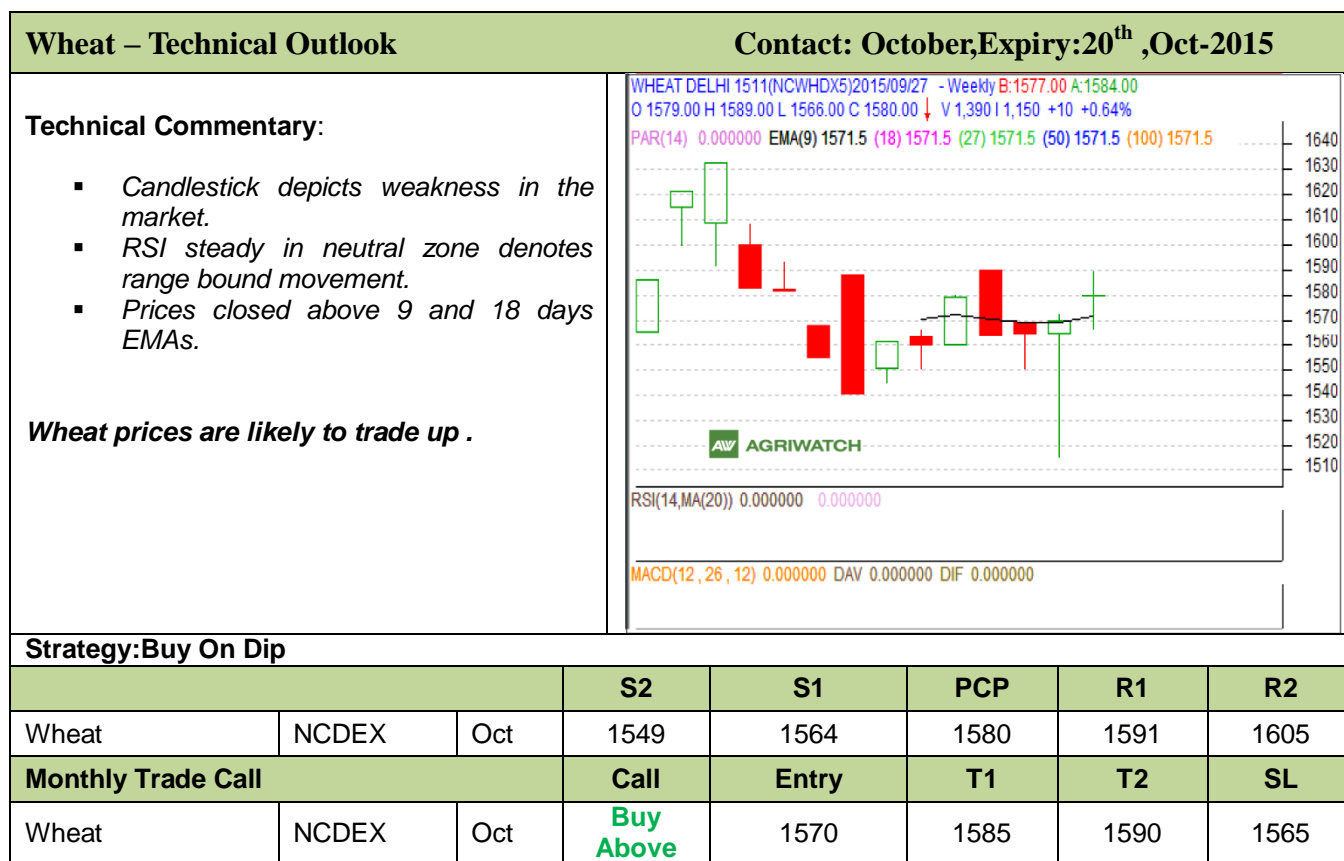
- Growing disparity.

- Import from Australia, France and Ukraine.
- Higher marketable surplus in major exporting countries.
- Lower price in global market

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			30-Sep-15	29-Sep-15	23-Sep-15	30-Aug-15	30-Sep-14
Delhi	Lawrence Road	Mill Delivery	1695	1695	1670	1590	1600
	Narella	Mill Quality Loose	Closed	1640	NA	1540	1525
	Nazafgarh	Mill Quality Loose	Closed	1615	NA	1520	1530
Gujarat	Rajkot	Mill Delivery	1540	1540	1560	1550	1540
	Ahmedabad	Mill Delivery	1610	1610	1620	1600	1640
	Dhrol	Mill Quality Loose	Closed	1600	1550	1455	NA
	Surat	Mill Delivery	1660	1660	1670	1645	1670
M.P.	Bhopal	Mill Quality Loose	1500	1500	1450	1450	1425
	Indore	Mill Delivery	1650	1650	1600	1590	1555
Rajasthan	Kota	Mill Quality Loose	1470	1480	1460	1415	1480
		Mill Delivery	1550	1560	1540	1500	1550
U.P.	Kanpur	Mill Delivery	1540	1540	1525	NA	1560
	Mathura	Mill Quality Loose	1520	1520	1515	1420	1480
	Kosi	Mill Quality Loose	1570	1565	1505	1435	NA
	Hathras	Mill Quality Loose	1460	NR	1460	1420	1480
	Aligarh	Mill Quality Loose	Closed	1520	NA	1420	1440
Punjab	Khanna	Mill Quality Loose	1530	1530	1520	1525	1430
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	1560
Haryana	Sirsa	Mill Delivery loose	1522	1520	1515	1500	1471
	Hodal	Mill Delivery	1700	1700	1700	1590	1610
	Karnal	Mill Quality Loose	NA	NA	NA	NA	NA
	Bhiwani	Mill Quality Loose	1600	1600	1550	1460	1500
	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	1800	1800	1780	1700	1775
	Madurai	Mill Quality	1857	1857	1837	1757	1832

	Coimbatore	Mill Quality	1857	1857	1837	1757	1832
Bihar	Sitamari	Mill Delivery	1535	1540	1535	NA	1610
	Khagariya	Mill Delivery	1630	1630	1650	1625	1610

Wheat Technical Analysis:



* Do not carry-forward the position next month.

International Weather update: (Source-USDA)

Australia-

Apart from some spotty, light showers (generally less than 5 mm), warm, dry weather covered the wheat belt, slowly reducing moisture supplies for winter grains and oilseeds. Despite the evaporative losses, soil moisture remained mostly adequate for winter crops and combined with sunny skies to promote wheat,

barley, and canola development. Wheat was in the late reproductive or filling stages of development in Western Australia, southern Queensland, and Northern New South Wales and in the jointing or reproductive stages of development in South Australia, Northern Victoria, and Southern New South Wales.

Argentina-

Mostly dry, unseasonably warm weather dominated Argentina's main agricultural areas. Little to no rain fell in central Argentina (La Pampa, Buenos Aires, and southern sections of Cordoba, Santa Fe, and Entre Rios), where weekly temperatures averaged up to 2°C above normal.

Russia and Ukraine-

Unsettled conditions in Eastern crop areas contrasted with favourably dry weather in Western and Southern portions of the region. Early in the period, a departing storm system generated an additional 3 to 40 mm of rain in Russia's Siberia District, hampering spring wheat dry-down and harvesting. In contrast, mostly sunny skies and near-normal temperatures for much of the week favoured spring wheat harvesting in Northern Kazakhstan and the Urals District, though clouds and showers arrived at week's end.

International Market Dynamics:

Chicago wheat pulled back on Friday from its seven-week highs, following rallying almost 3 percent in the past two days as markets found support from the surprising cut in U.S. crop stocks reported by the U.S. Department of Agriculture (USDA) in the middle of the last week..

As of October 1, Ukraine had exported 5.452 million tonnes of wheat, according to the website of the Agricultural Policy and Food Ministry. As reported, the agricultural ministry forecasts that grain exports in the 2015/2016 marketing year (July-June) will reach 36.8 million tonnes. The harvest in 2015 will be 58-60 million tonnes.

IGC has revised wheat production estimate up by 7 million tonne from 720 to 727 MMT. The recent increase is mainly attributed to improved production prospects in Russia Ukraine, Australia and EU. It might be a final production estimate for the year. Previously IGC had increased production estimate from 710 to 720MMT.

Wheat FoB quotes in Russia improved around \$5 per tonne in anticipation of wheat export tax cut and govt 's plan to procure wheat at higher price. Decision on tax cut is expected in the first week of Oct. Wheat having 12.5 percent protein content quoted at \$187 per tonne free-on-board (FOB) at the end of last week, up \$5 from a week earlier. Currently, export tax is set at 50 percent of the customs price minus 5,500 roubles (\$83) per tonne, but not less than 50 roubles a Ton. Now limit may be raised from 5500 to 6500 rouble per ton.

Iran has cancelled import duties imposed in the month of July this year on wheat. Notably, Iran govt. had imposed wheat import duty @ \$50 per tonne which made import totally unfeasible. Import duty has been lifted despite repeated statements that Iran has sufficient stock and there is no need of any import this year.

Russia exported 6 million tonne wheat during 1st July to 18,sept-2015. Wheat export volume has decreased 23 percent in comparison to last year. Domestic price for third grade wheat is being quoted at \$154 per tonne.

With favourable weather condition for standing crop of wheat in Australia market analysts have started talking higher than expected production this year. As per the latest update by ABARE Australia may enjoy 25.2 MMT wheat production this year and export 1MMT more than normal expectation of 16.5

MMT in 2015-16(starting from July to June) Higher export expectation has surfaced despite ample EU and Black Sea Region Crop.

Russia's 2015/16 wheat exportable surplus is at 22 million tonnes. Black Sea forward prices for Russian wheat with 12.5 percent protein content were at \$183 per tonne on a free-on-board (FOB) basis at the end of last week, down \$3 from a week earlier. A Dubai based company has bought 30,000 T Russian wheat for Sept delivery at \$183 Per T FOB basis Kavkaz. Turkey and Egypt are other bulk buyers for Russian wheat currently.

IGC Wheat Balance Sheet(Quantity in MMT)

IGC Forecast(Fig-In MMT)	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
				27.08.2015	24.09.2015
Production	655	714	720	720	727
Trade	142	156	153	148	149
Consumptions	677	696	707	716	719
Carryover stocks	171	188	202	206	211
Y-O-Y change	-21	18	14		9
Major Export	51	55	65	68	71

IGC Balance Sheet Highlight:

Global wheat market may move up due to rough weather conditions in Black Sea Region, Australia. Frost has damaged yield in Australia while Russia and Ukraine is facing dry weather, where sowing of winter crops is under way. Demand for US wheat is expected to increase if dry weather in Black Sea region persists in the near term. Prices of wheat have recently been ruling lower due to weak export demand for U.S. wheat. Other suppliers were offering wheat at attractive price.

In the medium term prices would remain under pressure as IGC has revised wheat production estimate up by 7 MMT to 727 MMT. Ample stock is available in global wheat market and exporting countries are in urgency to offload their stock sooner than expected.US,France, Russia, Australia,Ukraine have ample marketable surplus.

USDA Global Wheat Balance Sheet: 2015-16 Fig. In Thousand Tonne(As on 29.09.2015)							
Country	Opening Stock 2015-16	Production Projected 2015-16	Domestic Consumption 2015-16	Import 2015-16	Export20 15-16	Ending Stock 2014-15	Production Last Year
Argentina	3,180	12,000	6,150	30	7,200	3,180	12,500
Australia	6,138	26,000	7,325	150	18,500	6,138	24,000
Canada	5,301	29,000	9,700	460	20,500	5,301	29,300
China	62,944	130,000	121,500	1,200	1,000	62,944	126,170
European Union	14,720	150,289	123,500	5,000	32,500	14,720	156,449
India	16,500	90,000	94,600	500	500	16,500	95,850
Pakistan	3,222	25,000	24,600	100	1,000	3,222	25,500
Russia	7,605	53,500	35,500	350	20,000	7,605	59,080
Ukraine	4,970	22,000	11,700	50	10,500	4,970	24,750
United States	19,306	56,811	33,176	3,810	25,174	19,306	55,129
Others	57,085	124,331	245,494	141,956	20,072	59,431	117,723
World total	200,971	731,931	713,245	153,606	156,946	203,317	726,451

Source:USDA

CBOT Futures Dec Chart:



1st Support: \$175, 2nd S \$165, 1st R- \$220, 2nd \$ 245, Expected range in Oct:\$184 to \$200 per T

CBOT comparison over period of time:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	29-Sep-15	22-Sep-15	29-Aug-15	29-Jun-15	29-Mar-15	29-Sep-14	
15-Dec	185.08	182.05	177.73	211.62	196.56	202.00	-8.38
16-Mar	187.83	184.71	180.67	214.29	201.43	200.14	-6.15
16-May	189.58	186.46	182.60	216.12	204.46	201.70	-6.01
16-Jul	190.86	187.93	184.16	216.49	204.00	199.77	-4.46
16-Sep	193.90	191.05	187.65	222.09	206.66	202.35	-4.18

Comparative Month on Month FOB quotes: (Fig in USD/MT)

All prices are for SRW/milling grade	3 rd Mar 15	1 st Apr 15	2nd May-15	2nd, july-15	5th, Aug-15	1st Sept-15	1st Oct-2015
USA	229.2	238.2	236.5	242.7	204.6	208	216.1
France	199.53	189.87	194.73	218	173	156.75	165.25
Australia	232	238	237	260	241	215	214
Russia	225.5	210.5	209	193	191.18	182.5	185.5
India	253.92	242.85	239.44	243.4	249.18	245.25	254

International Outlook:

Global wheat market may move up due to rough weather conditions for winter wheat sowing in Black Sea Region, and US. Frost has damaged yield in Australia while Russia and Ukraine is facing dry weather where sowing of winter crops is under way. Demand for US wheat is expected to increase if dry weather in Black Sea region persists in the near term. Prices of wheat have recently been ruling lower due to weak export demand for U.S. wheat. Other suppliers were offering wheat at attractive price.

In the medium term prices would remain under pressure as IGC has revised wheat production estimate up by 7 MMT to 727 MMT. Ample stock is available in global wheat market and exporting countries are in urgency to offload their stock sooner than expected. US, France, Russia, Australia, Ukraine have ample marketable surplus.

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