

Executive Summary:

Wheat cash market is likely to trade steady to slightly firm in the month of Dec-2015 due to seasonal factors and delayed sowing. Besides, above normal temperature in major growing states like Madhya Pradesh, Punjab, Uttar Pradesh and Rajasthan have provided ground for lower yield than normal. 2 to 3 percent yield loss is inevitable if above normal temperature continues for next 15 days. Condition for wheat plant growth is not normal and some showers of winter rains are badly needed in major growing belts in central and northern India.

Owing to a delay of two week in sowing was due to late harvesting of Paddy and Sugarcane, coverage area too is expected to decrease by 2 to 3 percent to 29.4 ha as per market feedback. Earlier Agriwatch had estimated over 30 million ha coverage under wheat this year. As wheat is water intensive crop, farmers have preferred to shift some wheat area to lower water intensive crops like Mustard, Chana and spices. Price factor too has encouraged farmers to grow other crops.

Wheat area coverage lags behind by 27.39 % by the end of Nov-2015 and was registered at 117.32 lakh ha against 161.57 lakh ha in the corresponding period last year. Normal of five years is 29.57 million ha. Area may dip more if weather condition remains the same.

Supply side is almost balanced as continuous release from central pool stock is meeting local millers demand. Export demand is almost negligible due to disparity. So Agriwatch expects market to stay steady to slightly firm in the month of December. Wheat stock in central pool decreased from 31.87 MMT (Oct) to 283.2 MMT in Nov-2015. Normally, wheat off-take is 2.5 to 3.0 MMT per month in lean season starting from August. Almost four months left for old wheat consumption, stock in central pool seems at comfortable level in absence of export demand.

Proposed higher MSP (Rs 1450 to Rs 1525 for MY 2016-17) by CACP would remain supportive to the cash market fundamentals. However, govt has ample stock and can intervene in the market in any unexpected gains with releasing additional stock. As stored out crop is of poor quality, its life cycle too has decreased this year. So govt may prefer to consume last year's crop as soon as possible. This may limit firm trend in the market. There is no panic in domestic market despite lower production prospects as enough wheat is available in the global market at comfortable price.

IGC has not changed its global wheat production estimate (726MMT) in Nov-2015 despite some concerns regarding winter wheat crop prospects this season. However, trade estimate has been revised up by 1 MMT to 151 MMT. Consumption estimate has been raised from 718 to 720 MMT in the month of Nov-2015 and carryout stock has been revised 1MMT down from 209 to 208MMT. In brief, Overall supply side in the global wheat market does not imply any short supply in the fourth quarter of the current MY, ending March-2016.

Domestic wheat market is expected to trade range bound to slightly firm in the month of December.

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)Agriwatch would revised 1st Adv estimate for 2015-16 crop in its monthly report of January 2016.

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 \$50 and \$35 per tonne lower than India. France wheat is even cheaper. So there is no export window available for bulk export from India.
- The current MY may end with 6 to 7 lakh 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. However, imposition of 25 % import duty has restricted fresh deal and possibility of bulk import almost waned now.
- Premium grade wheat may continue to rule firm while FAQ varieties may trade steady. Govt. has ample stock in handandmay release higher quantity as and when situation demands . So common grade wheat is unlikely to get firmer in the month of December.

Preliminary Wheat APY Estimate For Crop Year 2015-16:

Preliminary Wheat Production Estimate For The Crop Year 2015-16						
State/ UT	Area		Yield		Production	
	2014-15	2015-16(Forecast)	2014-15	2015-16(Forecast)	2014-15	2015-16(Forecast)
Andhra Pradesh	8	8	1331	1325	10.648	10.6
Assam	18	20	1198	1194.164	21.564	23.88328
Bihar	2247.18	2250	2425	2242.804	5449.412	5046.309
Chhatisgarh	152	150	1274	1248.465	193.648	187.2698

Gujarat	1240	1250	2800	3014.532	3472	3768.165
Haryana	2500.39	2500	4750	4833.251	11876.85	12083.13
Himachal Pradesh	359.79	360	1636	1635.623	588.6164	588.8242
Jammu & Kashmir	241.2	250	1627	1627.149	392.4324	406.7872
Jharkhand	156.76	150	1851	1850.783	290.1628	277.6175
Karnataka	174.87	175	901	901.4183	157.5579	157.7482
Madhya Pradesh	5778.25	5775	2100	2278.6	12134.33	13158.92
Maharashtra	812.54	915	1464	1592.224	1189.559	1456.885
Orissa	1.4	1	1604	1604.428	2.2456	1.604428
Punjab	3551.5	3525	4500	4803.219	15981.75	16931.35
Rajasthan	2826	2750	2875	3063.239	8124.75	8423.908
Uttar Pradesh	9850.51	9650	2750	3085.421	27088.9	29774.31
Uttarakhand	370.9	370	2350	2373.27	871.615	878.11
West Bengal	323.4	325	2769	2769.178	895.4946	899.9829
Others					0	
All India	30613	30424			88741.53	94075.4

Source: Agriwatch

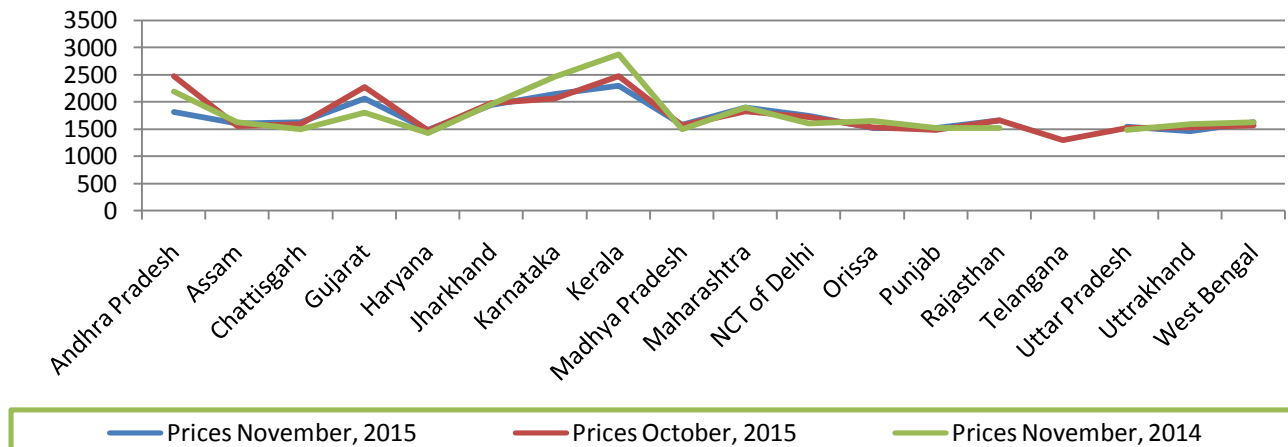
- As situation on sowing front is not good, area may be revised down in Jan-2016 , monthly report. Earlier, Agriwatch had projected 304 lakh ha area coverage. There is a growing fear of yield loss this year due to higher than normal temperature so far. Preliminary estimate is based on farmer's feedback. Agriwatch will revise it in Jan, Mar and May-2016 report.

Domestic Market Highlights:

- Wheat Sowing lags behind by 27.39% as on 27.11.2015. Only 50 percent sowing is complete in UP.
- The CACP has proposed to hike wheat MSP from RS 1450 to Rs1525 per qtl. for MY 2016-17
- Rake loading from Kota region to Tamil Nadu/Karnataka is being reported at Rs 1800/1820 per qtl.
- India exported 183199.35 tonne wheat in current MY till 27th Nov-2015 at an ave FoB of \$281.28 per tonne.
- Import volume during the same period was reported at only 458339.22 tonne at an ave CiF of \$281.26 per tonne.
- 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. Govt has fixed Rabi production target at 94.75 MMT for crop year 2015-16.
- The basic customs duty of 25 per cent on wheat import will remain effective till March 31 ,2016.

Monthly Average Price Comparison:

Monthly Ave Price Compason(Rs/ctl.)



Source: Agmarknet

All India ave monthly price decreased slightly (0.88 %) from Rs 1757.79 to Rs 1742.27 per qtl in Nov-2015 in comparison to Oct-2015. It is ruling almost Rs 57 per qtl lower than the price realized in Nov 2014. More down side trend is unlikely as prices of wheat may rule steady to slightly firm in December.

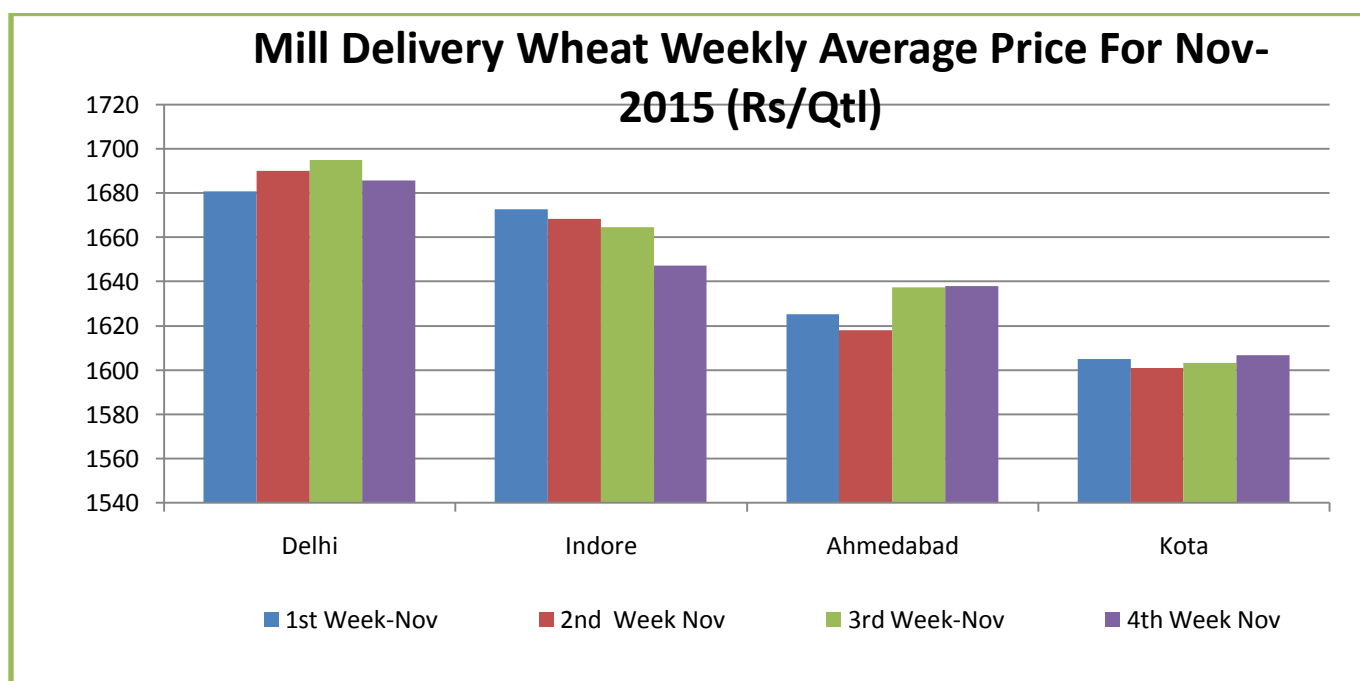
State wise Area Coverage under Wheat & rainfall status as on 27-11- 2015:

States	Normal Rainfall	Cumulative (01-10-15 to 25-11-2015)	% Devi. From Normal	Normal Area	27th Nov-2015	27th Nov-2014	% ch from last year
Andhra Pradesh	247.3	289.0	17	0.088	0	0	#DIV/0!
Arunachal Pradesh	222.0	99.0	-55	0.034	0	0	#DIV/0!
Assam	153.4	72.4	-53	0.442	0	0	#DIV/0!
Bihar	70.9	10.4	-85	21.313	2.84	3.88	-26.80
Chhattisgarh	69.7	18.6	-73	1.074	0.15	0.17	-11.76
Goa	188.8	126.5	-33	0	0	0	#DIV/0!
Gujarat	29.8	3.7	-87	11.938	3.02	3.02	0.00
Haryana	20.8	6.1	-71	25.05	15.6	20.19	-22.73
Himachal Pra.	58.4	25.0	-57	3.577	1.83	1.9	-3.68
J&K	63.9	122.9	92	2.916	1.28	1.02	25.49
Jharkhand	83.4	22.9	-73	1.387	0.08	0.09	-11.11
Karnataka	175.0	172.1	-2	2.394	1.47	1.36	8.09
Kerala	435.3	523.7	20	0	0	0	#DIV/0!
Madhya Pradesh	42.9	23.6	-45	48.372	23.69	30.42	-22.12
Maharashtra	91.3	44.0	-52	10.202	1.57	1.75	-10.29
Manipur	212.5	79.4	-63	0.024	0	0	#DIV/0!
Meghalaya	271.6	93.9	-65	0.004	0	0	#DIV/0!

Mizoram	294.3	219.8	-25	0	0	0	#DIV/0!
Nagaland	154.2	104.5	-32	0.029	0	0	#DIV/0!
Odisha	138.4	30.8	-78	0.024	0	0	#DIV/0!
Punjab	26.5	9.8	-63	35.168	26.16	27.5	-4.87
Rajasthan	14.8	3.1	-79	27.363	12.21	15.5	-21.23
Sikkim	271.5	138.6	-49	0	0	0	#DIV/0!
Tamil Nadu	332.4	478.5	44	0	0	0	#DIV/0!
Telengana	112.1	24.3	-78	0.004	0	0	#DIV/0!
Tripura	214.4	95.9	-55	0.004	0	0	#DIV/0!
Uttar Pradesh	50.2	10.8	-79	97.218	25.27	52.45	-51.82
Uttarakhand	66.6	17.7	-73	3.698	2	2.1	-4.76
West Bengal	147.5	38.3	-74	3.208	0.11	0.2	-45.00
Pondicherry	631.2	809.0	28	0	0	0	#DIV/0!
Others	0.0	0.0	0	0.208	0.05	0.03	66.67
All-India	107.0	80.4	-25	295.735	117.32	161.57	-27.39

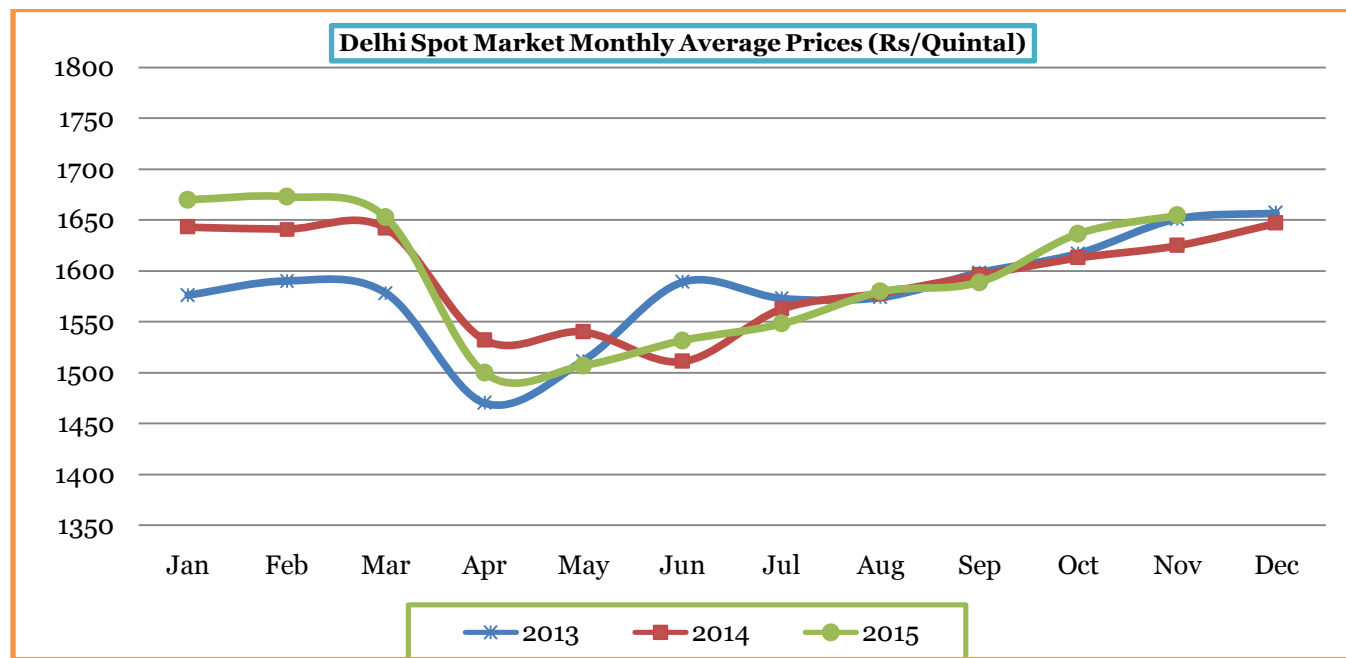
Source:-Ministry of Agriculture (Area in lakh hectare)

Mill Delivery Wheat Weekly Average Price Movement at key Spot Market:

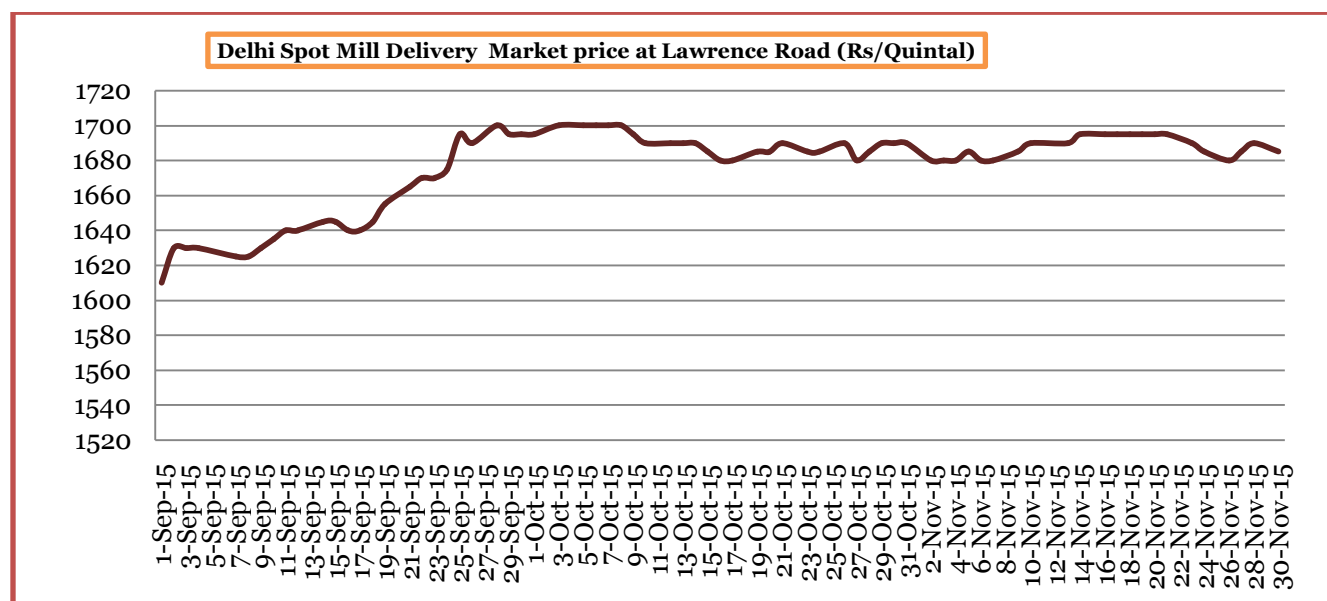


Weekly average price in the month of Nov. decreased in Nov except Ahmedabad where price stayed steady. In Kota region of Rajasthan it moved slightly up in the fourth week of Nov-2015. Wheat prices in Indore and Delhi ruled higher despite recent decline. No major movement is expected in these markets as supply side is at comfortable level and govt is keen to release more stock if markets behave unexpectedly in the month of December.

Wheat Average Monthly Prices Movement During Last Three Years



Wheat spot market(Delhi) ave price increased slightly during the month of Nov in comparison to Oct,2015 due to short supply of FAQ/premium varieties at local market. Ave price may improve slightly again in Dec as domestic market remains firm. Wheat price in Delhi during Oct,2015 was ruling at Rs 1636.46 per qtl. In Nov,2015 it moved up to Rs 1654.41 per qtl.



Mill delivery price of wheat started firming up in the beginning of Nov and traded Rs 20 up from October's lowest level. However, firmness could not sustain by the end of Nov-2015 despite lower area coverage. Delhi spot mill delivery price is expected to trade in the range of Rs1680 to Rs 1700 per qtl .in the month of December.

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	180
15-Oct	2513	299.92	186
15-Nov	1693.44	252.95	181
15-Dec			
16-Jan			
16-Feb			
16-Mar			
Total 2015-16("000"T)	180686.35	263.39	184.87

(Source: DGCIS, *Provisional data from IBIS)

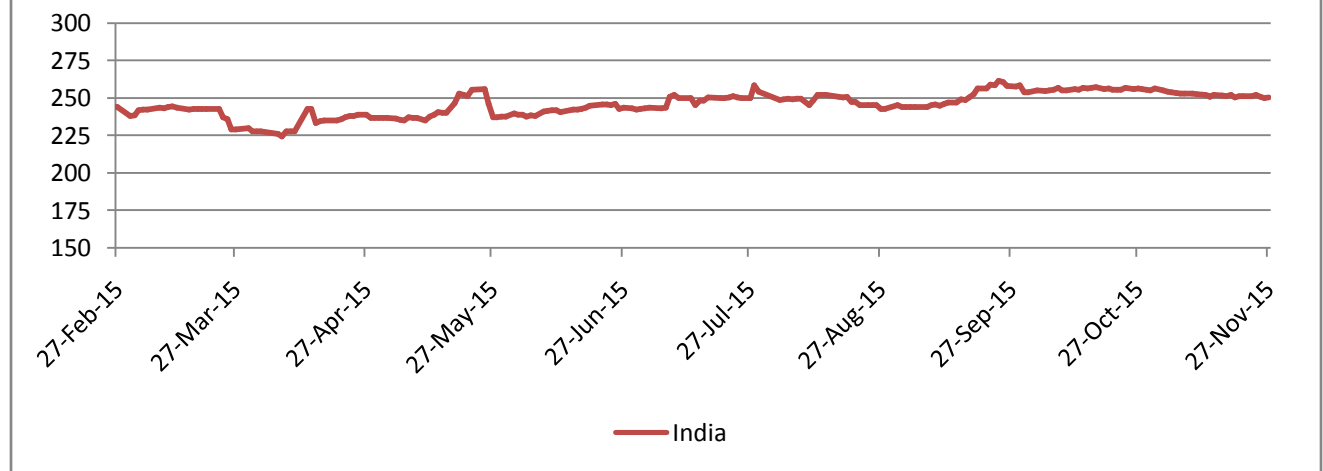
According to IBIS data, India had exported around 1693.44 tonne wheat in the month of Nov(till 29th ,Nov,2015) at an ave FoB price of \$263.39 per tonne. It was lower than exported volume in Oct,2015.During this period FoB quote too decreased from \$ 299.92.69 per tonne to \$252.95.As there is no parity,export volume would remain at lower ebb in the month of Decembertoo.

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	25891.82	293.09	180
15-Oct	16702	262.21	186
15-Nov	0.2	275.23	181
15-Dec			
16-Jan			
16-Feb			
16-Mar			
Total 2015-16	458339.22	281.74	184.865

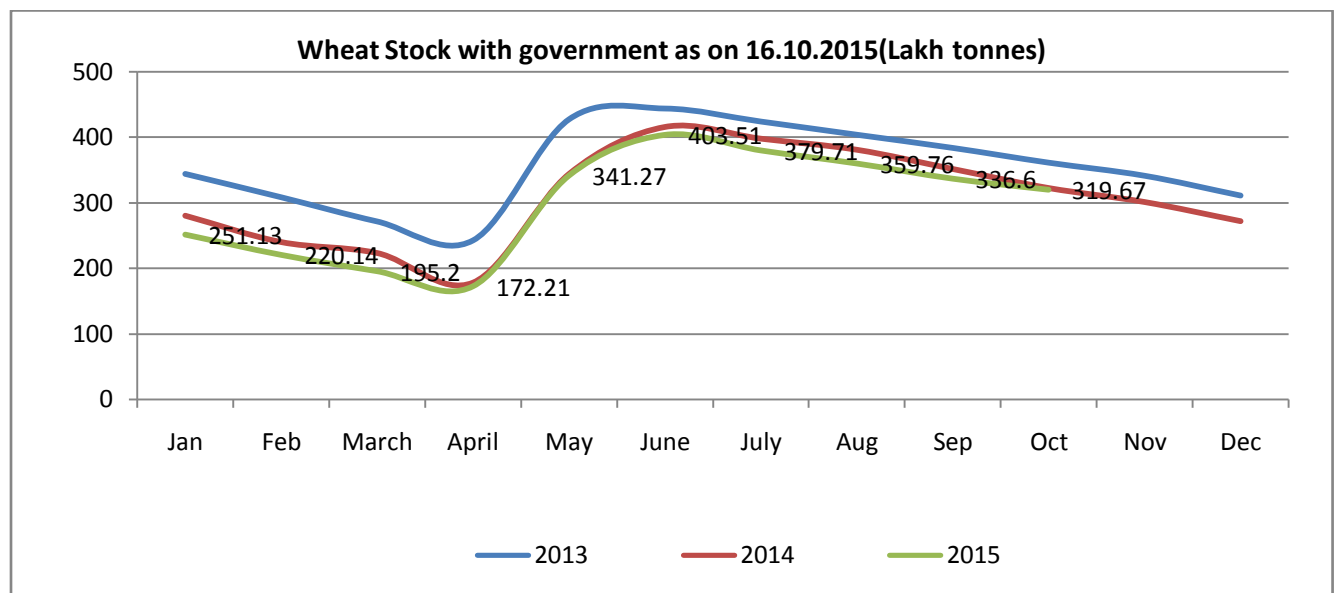
Wheat import in Nov,2015 was almost nil.Only 200 kg imported from Mexico by air and it landed in Delhi.Drastic decline in import is mainly attributed to higher import tax.Total import has crossed 4.58 lakh tonne till 29th Nov -2015. Yearly ave CiF comes to \$281.74 per tonne.

Indicative Global Wheat FoB (\$/Tonne)



Indian Fob quote has decreased slightly in Nov. in comparison to Oct-2015. As there is no export demand for Indian wheat, quotes are not available on regular basis. 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. FOR quotes, may hover Rs 1650 to Rs 1675 per qtl in the month of December.

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



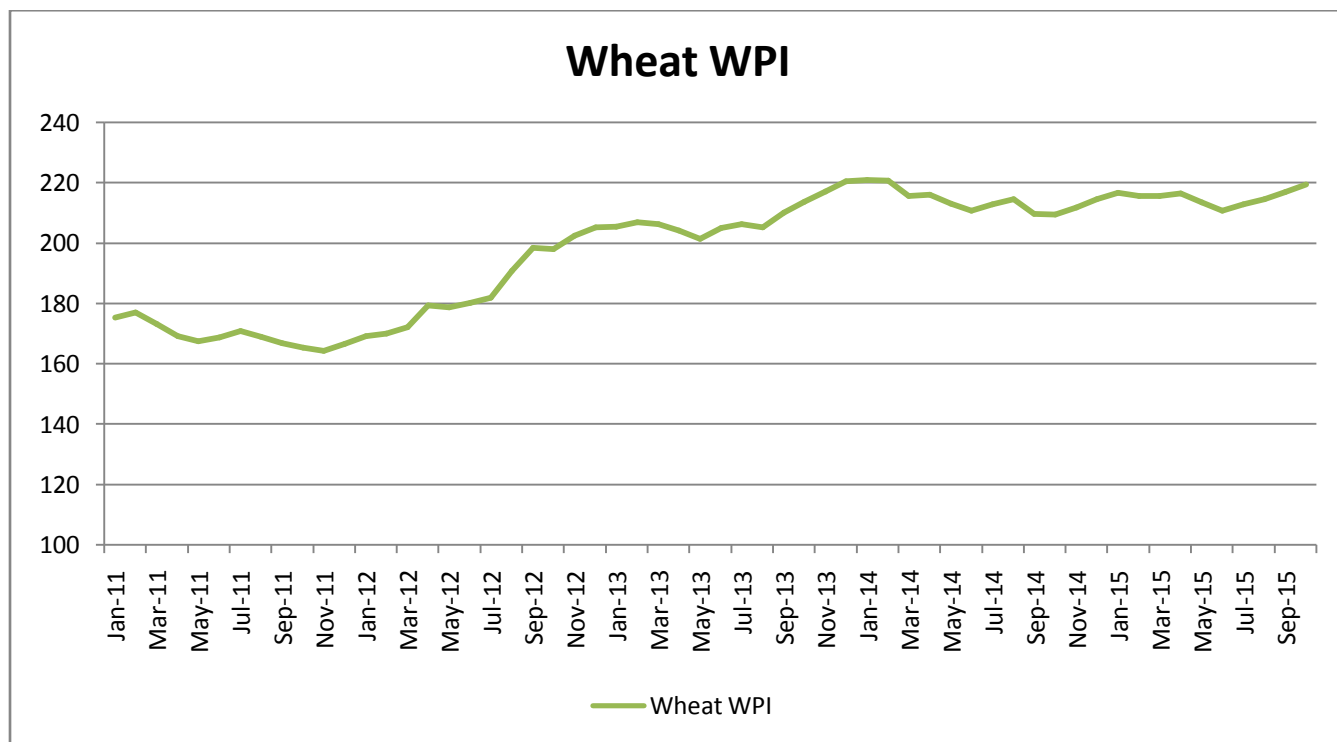
Wheat stock in government's ware houses on 01.10.2015 was registered at 319.67 lakh tonne. Stock is lower than 2013, 2014 due to lower procurement. This year carry out may decrease considerably due to crop loss. Stock is expected to decrease to 13.99 million tonne by end March, 2016.

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 219.3 in Oct- 2015 from 216.8 in Sept, 2015. Wheat prices may rule steady to slightly firm in the month of december-2015.

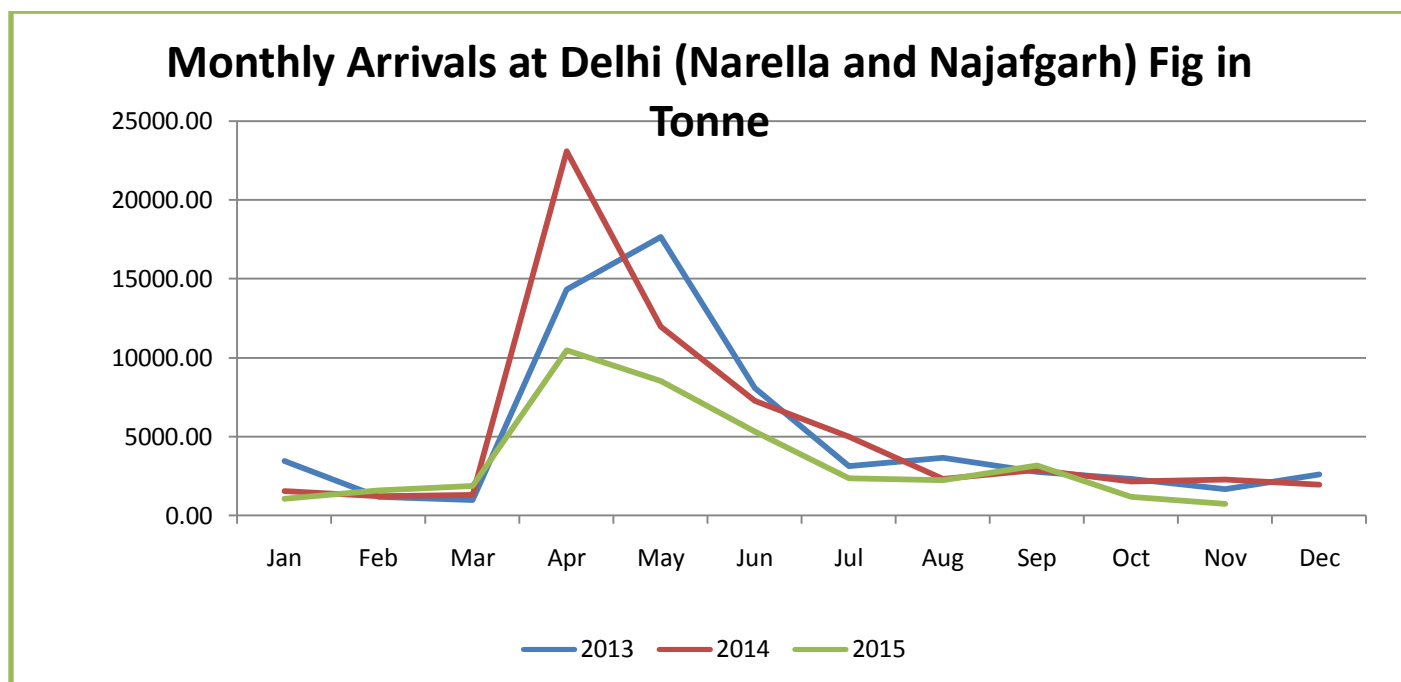
Monthly Average Prices at Various Spot Market(Rs /per Quintal)					
	Delhi	Indore	Kota	Rajkot	Chennai
14-Mar	1642.08	1593.33	1655	1530.3	1987.14
14-Apr	1532	1527.5	1521.7	1511.2	1866.1
14-May	1540	1575.65	1531.42	1518.4	1845.47
14-Jun	1510.48	1509.58	1493.95	1438.04	1780
14-Jul	1562.42	1617.4	1569.54	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	1546.59	1554.77	1768.86
15-Oct	1690.71	1606.57	1607.22	1618.57	1848.33
16-Nov	1654.41	1615.26	1507.35	1508.66	1869.44

Monthly Price Comparison of Spot Markets:

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			30-Nov-15	28-Nov-15	23-Nov-15	27-Oct-15	29-Nov-14
Delhi	Lawrence Road	Mill Delivery	1685	1690	1690	1680	1625
	Narella	Mill Quality Loose	1655	1650	NA	1650	1580
	Nazafgarh	Mill Quality Loose	1620	1620	1620	1625	1550
Gujarat	Rajkot	Mill Delivery	1610	1625	NA	1660	NA
	Ahmedabad	Mill Delivery	1640	1640	NA	1690	1700
	Dhrol	Mill Quality Loose	1625	NR	NA	1815	NA
	Surat	Mill Delivery	1660	1660	NA	1740	1725
M.P.	Bhopal	Mill Quality Loose	1525	1530	1510	1525	NA
	Indore	Mill Delivery	1640	1640	1650	1710	1585
Rajasthan	Kota	Mill Quality Loose	1515	1515	1500	1550	NA

		Mill Delivery	1620	1620	1590	1650	NA
U.P.	Kanpur	Mill Delivery	1570	1570	1565	1560	1575
	Mathura	Mill Quality Loose	1510	1510	1510	1510	NA
	Kosi	Mill Quality Loose	1510	NA	1560	1535	1480
	Hathras	Mill Quality Loose	NA	1550	NA	1525	NA
	Aligarh	Mill Quality Loose	NA	Closed	NA	1525	1450
Punjab	Khanna	Mill Quality Loose	NA	NA	NA	NA	1460
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	1560
Haryana	Sirsa	Mill Delivery loose	1565	1565	1560	1560	1500
	Hodal	Mill Delivery	NA	NA	NA	NA	NA
	Karnal	Mill Quality Loose	NA	NA	NA	NA	NA
	Bhiwani	Mill Quality Loose	1625	1620	1600	1600	1560
	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	1850	1850	1890	1880	NA
	Madurai	Mill Quality	1907	1907	1947	1937	NA
	Coimbatore	Mill Quality	1907	1907	1947	1937	NA
Bihar	Sitamari	Mill Delivery	1610	NA	1590	NA	NA
	Khagariya	Mill Delivery	1850	1850	1800	NA	1650

Monthly Arrivals at Delhi (Narella and Najafgarh)



Domestic Outlook:

Wheat cash market is expected to trade range bound in the coming weeks. Supply side is expected to be normal as govt is keen to augment supply when and wherever additional demand comes. Despite lower area coverage and production prospects common grade wheat would continue to trade steady. Coverage area is expected to improve in coming weeks. However, higher temperature still remains a major concern that may impact yield and resultantly price too.

SWOT Analysis of Wheat**Strength**

- *Comfortable stock position.*
- *Import option open despite imposition of 25 percent duty.*
- *Govt. release mechanism/allocation through OMSS.*
- *Hope for sowing recovery*

Weakness

- *Lower availability of quality/premium grade wheat in private hands.*
- *Disparity for export at current level*
- *Weak Infrastructure.*
- *Lack of branded quality wheat.*

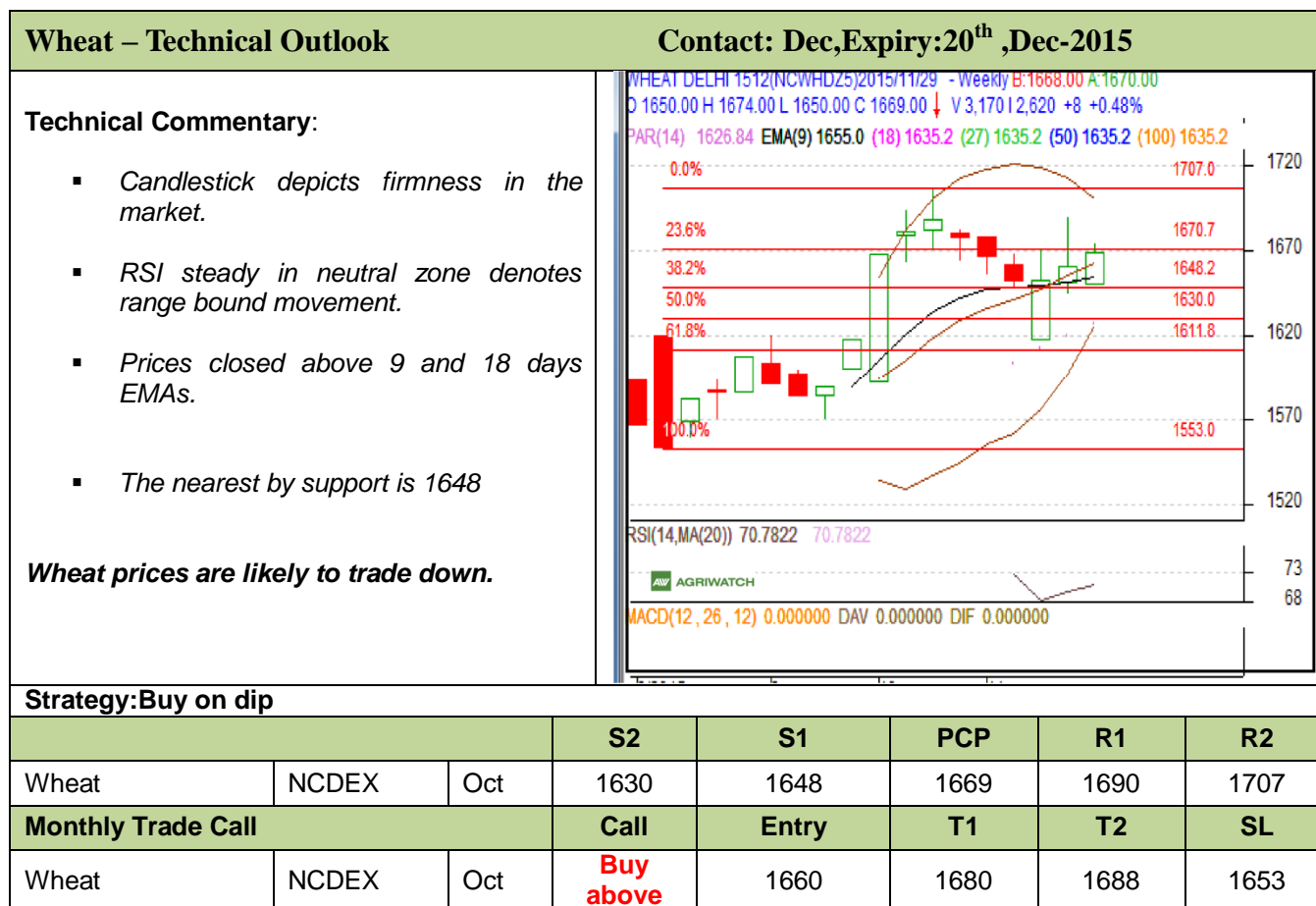
Opportunity

- *Winter wheat sowing condition in Russia/US remains unfavourable.*
- *Higher demand for premium grade like Lokwan, Sharbati and Tukda.*

Threat

- *Growing disparity.*
- *Higher domestic price.*
- *Higher marketable surplus in major exporting countries.*
- *Lower price in global market*

Wheat Technical Analysis:



* Do not carry-forward the position next month.

International Weather update: (Source-USDA)

Australia-

Following two months of spotty rainfall, widespread showers (10-50 mm, locally more) overspread the entire wheat belt, providing a welcome boost in topsoil moisture for recently sown summer crops in the East. The rain arrived much too late in the growing season, however, to boost yield prospects for winter crops. Indeed, the rain in Northern portions of the wheat belt hampered dry down of maturing winter grains, raised some concerns about crop quality, and slowed local harvesting. The greatest potential for harvest delays was in Northern New South Wales, where generally 25 to 50 mm of rain fell and amounts exceeded 75 mm locally. In southern portions of the wheat belt, the rain helped stabilize yield prospects for filling winter wheat following several weeks of frequently hot and persistently dry weather.

.Argentina-

Due to recent beneficial rain, dry weather favoured summer crop harvesting in central Argentina. Virtually no rain fell in La Pampa, Buenos Aires, and southern sections of Cordoba, Santa Fe, and Entre Rios. Near-normal temperatures accompanied the dryness, with daytime highs reaching the upper 20s and lower 30s (degrees C). Farther north, beneficial rain (locally exceeding 50 mm) continued in the western summer crop areas (northern Cordoba to Salta), improving conditions for winter wheat and emerging to vegetative corn and sunflowers. Lighter albeit beneficial rain (10-50 mm) fell in the northeast (northern Santa Fe and Cordoba eastward), providing additional moisture for cotton and other summer crops.

Russia and Ukraine-

Sunny skies exacerbated drought in parts of Ukraine and Russia's Central District but favoured winter wheat development in Southern Russia. The core of the region's drought extended from central and

Eastern Ukraine Northward into Russia's Central District. In these areas, 60-day precipitation ranged from less than 10 percent of normal in central Ukraine to 10 to 25 percent of normal in Western and Southern portions of the central District. Furthermore, weekly average temperatures have dropped below 5°C in most of the drought-afflicted crop areas, indicating the opportunity for proper winter wheat establishment has ended. In contrast, winter wheat in Southern Russia benefited from the sunny skies and near normal temperatures following recent rain, with weekly average temperatures above 5°C supporting some additional crop growth.

International Market Dynamics:

IGC wheat production estimate remained unchanged this month too at 726 MMT. However, trade estimate has been revised up by 1 MMT to 151 MMT. Consumption estimate has been raised from 718 to 720 MMT in the month of Nov-2015. Similarly carryout stock has been revised 1MMT down from 209 to 208MMT.

World wheat harvested area in 2016/17 seen falling by less than 1%.Northern hemisphere 2016/17 winter wheat sowing is almost over now. Conditions are almost favorable; however, concerns persist about dryness in some parts, especially in Ukraine. There is a common assumption based on spring wheat plantings and the next southern hemisphere crops, world may harvest at 221.8m ha, down almost 1% y/y.

Chicago wheat futures slid for a fourth session last week, dropping to the lowest in almost three months as plentiful global supplies and a lack of demand for expensive U.S. shipments dragged on prices. It is the comfortable wheat supply condition; U.S. and Europe are looking pretty good, despite, El Nino weather which had triggered some worries.

The U.S. Department of Agriculture reported weekly U.S. wheat export sales of 303,700 tonnes for 2015/16, below the range of trade estimates from 400,000 to 600,000 tonnes. Expectations of big wheat deliveries, starting with first notice day on Monday for December contracts, also weighed on the market, traders and analysts said. Estimates were for zero to 336 deliveries against Chicago wheat futures.

Argentina's incoming government will abolish export taxes on corn and wheat the day after it assumes office. The country collects a 23 percent export tax on wheat and a 20 percent levy on corn shipments. By some estimates, Argentina will have doubled wheat shipments and surpassed Russia and Brazil as a corn exporter, by the end of Macri's four-year term.

The upturn in export demand supported French cash prices, with negative premiums in recent months virtually wiped out at northern ports. There is quite a bit of buying interest, especially for nearby deals, thanks to the lower euro. Activity in eastern France which picked up after rain in recent days helped ease restrictions on the nearby river Rhine that has seen low water levels, although more rain would be needed to maintain normal traffic.

Fundamental pressure noted from strength in the DXY dollar, and ample world wheat stocks coupled with poor export demand for U.S. supplies. Egypt's main State wheat buyer bought 240,000 tonnes of French, Russian and Romanian wheat in a tender for Dec. 21-31. No U.S. wheat was offered during last week

Russian Wheat Exporters have won two tenders of Egypt last week. Demand for Russian wheat has increased due to weak ruble. Wheat prices in local market remained almost flat and may stay steady despite higher demand. Black Sea prices for Russian wheat with 12.5 percent protein content were flat at \$198 per tonne on a free-on-board (FOB) basis. Domestic prices for third-class wheat added 75 rubles to 10,750 rubles (\$163) per tonne in the European part of Russia, on an ex-works basis.

Under new Tax formula exporters have to pay 50 percent of the custom price minus 6,500 rubles (around \$99)per T. However, it would not be less than 10 rubles per ton. Market players have widely

accepted this formula. Under previous formula exporters had to pay 50 percent of the customs price minus 5,500 rubles per ton but not less than 50 rubles per ton. It would encourage export volume in the rest of the year.

With favorable 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 1 MMT 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.

IGC Wheat Balance Sheet (Quantity in MMT)

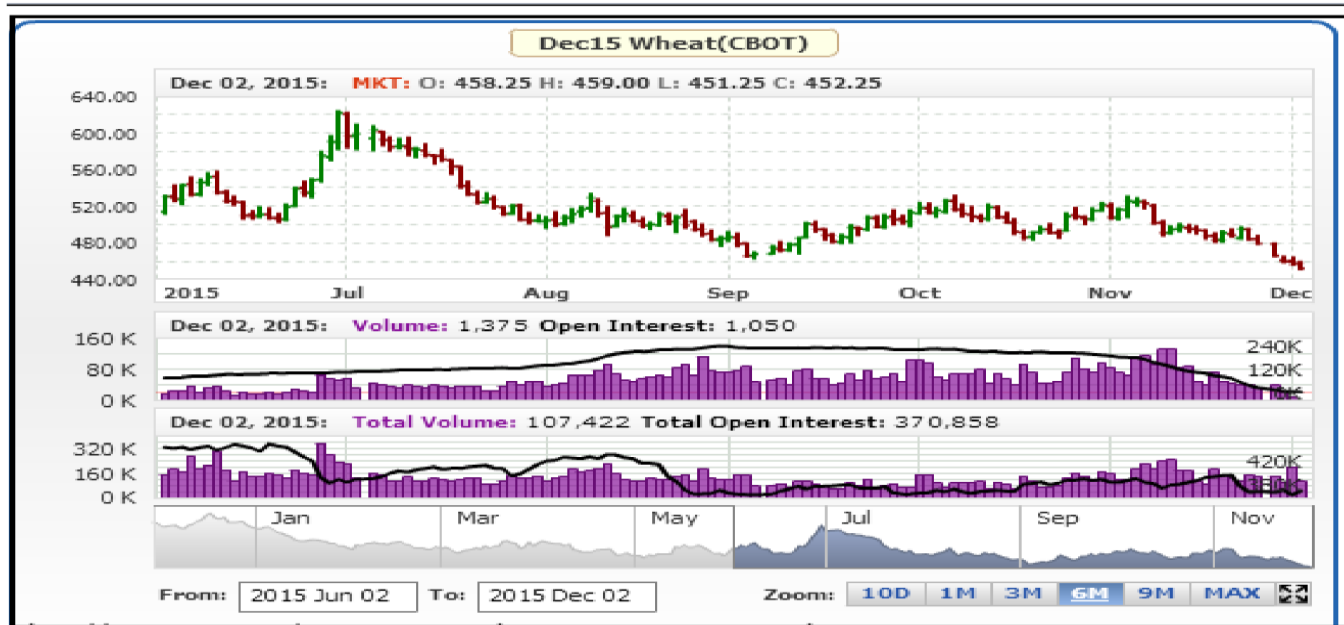
IGC Forecast (Fig-In MMT)	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
				29.10.2015	19.11.2015
Production	655	714	723	726	726
Trade	142	156	153	150	151
Consumptions	677	696	710	718	720
Carryover stocks	171	188	201	209	208
Y-O-Y change	-21	18	14	8	7
Major Export	50	54	63	67	69

IGC Balance Sheet Highlight:

- IGC wheat production estimate remained unchanged this month too at 726 MMT.
- However, trade estimate has been revised up by 1 MMT to 151 MMT.
- Consumption estimate has been raised from 718 to 720 MMT in the month of Nov-2015.
- Similarly carryout stock has been revised 1 MMT down from 209 to 208 MMT.

USDA Global Wheat Balance Sheet: 2015-16 Fig. In Thousand Tonne (As on 03.12.2015)							
Country	Opening Stock 2015-16	Production Projected 2015-16	Domestic Consumption 2015-16	Import 2015-16	Export 2015-16	Ending Stock 2014-15	Production Last Year
Argentina	3,175	10,500	6,150	30	5,000	2,555	12,500
Australia	4,273	26,000	7,425	150	18,000	4,998	23,666
Canada	7,108	26,000	9,000	485	20,000	4,593	29,420
China	74,067	130,000	118,000	2,000	1,000	87,067	126,170
E U	13,318	157,274	126,750	6,000	33,500	16,342	156,523
India	17,200	88,940	93,940	500	800	11,900	95,850
Pakistan	3,221	25,000	24,600	100	600	3,121	25,500
Russia	6,282	60,500	36,500	350	23,500	71,32	59,080
Ukraine	5,178	27,000	12,500	50	15,000	4,728	24,750
U S	20,501	55,840	33,177	3,402	21,772	24,794	55,147
Others	57,369	125,930	246,770	144,786	21,242	67,205	116,888
World total	211,692	732,984	714,812	157,853	160,414	227,303	725,494

Source: USDA

CBOT Futures Dec Chart:


1st Support: \$175, 2nd S \$165, 1st R- \$220, 2nd \$ 245, Expected range in Dec :\$180 to \$190per 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
	30-Nov-15	23-Nov-15	31-Oct-15	30-Aug-15	31-May-15	30-Nov-14	
15-Dec	169.00	181.86	191.78	178.19	182.60	215.76	-21.67
16-Mar	174.70	182.87	193.07	180.12	187.93	212.54	-17.80
16-May	177.82	184.25	194.35	181.59	191.23	214.75	-17.19
16-Jul	181.04	185.63	194.72	182.97	192.98	216.40	-16.34
16-Sep	185.26	188.75	197.66	186.09	186.55	219.15	-15.47

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

All prices are for SRW/milling grade	1st Apr 15	2nd May-15	2nd, july-15	5th, Aug-15	1st Sept-15	1st Oct-2015	2nd Nov-15
USA	238.2	236.5	242.7	204.6	208	216.1	217.9
France	189.87	194.73	218	173	156.75	165.25	172.5
Australia	238	237	260	241	215	214	220
Russia	210.5	209	193	191.18	182.5	185.5	197
India	242.85	239.44	243.4	249.18	245.25	254	254.39

International Outlook:

Global wheat markets are expected to reel under pressure due to improved weather and crop conditions in US and Black Sea regions. Besides, Argentina is ready to abolish export tax(23 %) on wheat soon which would enable it to double its export volume. Australia, Canada and US have ample marketable surplus and they all compete with each other. However, wheat market has touched its bottom now and more dip from current level is unlikely. If crop loss occurs in any major exporting countries in next two three months, it may encourage global wheat price once again. December and January remain crucial for standing crop in the field. Overall outlook is bearish. Any spike at present in wheat prices is unlikely.

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