

Wheat Monthly Research Report

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Market Dynamics:

Price Trend & Crop Size: Wheat cash markets traded down by 3.67 % month on month basis in March-2016 due to increased harvesting activities and arrivals in major wheat producing States. Quality of grain is good to normal. However, yield is slightly lower than normal due to moisture stress during growth and grain filling stages. India covered 292.52 lakh ha this year (2015-16) against 305.94 lakh ha last year (2014-15). It is almost 4.38% lower than last year. The Shortfall of 13.42 lakh ha in area and delayed sowing of wheat in Uttar Pradesh, Rajasthan, Maharashtra would reduce crop size by 35 to 45 lakh tonne from normal year's average of 94/95MMT. Temperature and weather condition till 1st week of April remain favourable and Agriwatch expects 89/90 MMT crop size this year given the normal weather condition in the remaining weeks of April..

Production Estimate: Agriwatch has revised its wheat production estimate up by 4.26 MMT from 85.32 MMT to 89.28 MMT for 2016-17 MY starting from April-2016. Higher temperature in April may affect yield where wheat has been sown late. Carryout for 2016-17 would decrease from 15.38 to 13.66 MMT, the lowest in last 7 years. The season 2008-09 had started with 13.42MMT as carry-in. The current season (2016-17) may end with slightly higher level as carryout.

Export-Import: Export window for India is not favourable due to higher local price despite new arrivals. Global market offers wheat at very competitive price with assurance of timely delivery and better quality. Price difference is wider, around \$45/75 per tonne. Russia, US, France and Argentina are offering wheat in the range of \$176 to \$218 per tonne on FoB basis. Despite 25% duty on import south Indian millers have struck around 5 lakh tonne deal in forward months (June onward). Govt. may consider revision on import duty in June end, by then final size /procurement status would be clear.

FoB/CiF Quotes: India exported 3633.28 tonne wheat in March-2016, around 37.26 percent higher than exported volume (2279.32 tonne) in February-2016. Import was registered at 2750 tonne during the same time against 8250 tonne imported in February-2016. Average monthly FoB quote for exported volume in March-2016 was \$347.37 per tonne while average monthly CiF quote for imported volume was \$257.08 per tonne. It indicates that wheat is cheaper in global market. The latest wheat import deal for new year has been reported at \$260.08 per T on CiF basis from Australia.

Supply-Demand: Supply side is likely ease in coming weeks with increasing temperature, higher pace of harvesting and arrival from newly harvested crop in North and Central India. Wheat stock in central pool decreased from 20.33 MMT (Feb-2016) to 16.86 MMT in March-2016. Normally, wheat off-take is 2.5 to 3.0 MMT per month in lean season starting from August. Stock in central pool seems at comfortable level in absence of export demand and new arrivals so far. New season would start with 13.66MMT wheat stock.

Procurement Target: Govt. has fixed 30 MMT wheat procurement target for 2016-17. At current scenario and crop condition procurement target is expected to be met as Punjab, Haryana would continue to contribute like previous year. Some difficulty may be faced in M.P. and Rajasthan as private trade would remain active and may offer slightly higher price to farmers in anticipation of lower crop size this year. If weather turns unfavourable, challenge would be even greater to meet fixed target. At supply front there seems no panic in first half of MY 2016-17.

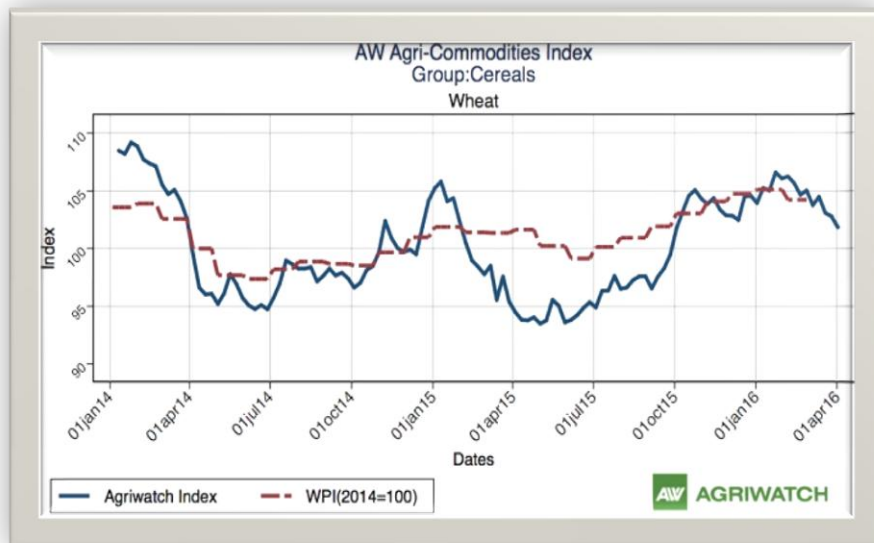
Outlook & Recommendation: Wheat cash market is expected to trade range bound to slightly weak in the short to medium term. Higher arrivals would not allow market to move up. It would hover near MSP.

Trade Call: Stake holders should trade in May Contract taking care of lower and upper price band of Rs 1560& 1600 respectively.

AW Wheat Index:

The Agriwatch Agri Commodities Index rose 2.33% to 105.08 during the week ended Apr 2, 2016 from 102.69 during the previous week. The base for the Index is 2014 (= 100).

The other weekly gainers were the Pulses Index (+3.95% w-o-w), Edible Oils Index (+3.14%), Sweeteners Index (+8.17%), Oilseeds Index (+4.57%) and Other Non-Food Articles Index (+1.84%). The weekly decliners were the Cereals Index (-0.53%), Spices Index (-9.58%) and Fibres Index (-6.04%).



India's Wheat Quarterly Balance Sheet For 2016-17:

Quarterly Wheat Supply & Demand Side In 2016-17(Fig. In MMT)							
MY Runs April To March	2015-16	2016-17	2016-17	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	19.85	15.38	15.38	15.38	81.56	58.81	36.11
Production	86.53	89.28	89.28	89.28	0	0	0
Imports	1	2	2	0.2	0.6	0.6	0.6
Total Availability	107.38	106.66	106.66	104.86	82.16	59.41	36.71
Consumption	91	92	92.00	23.00	23.00	23	23
Exports	1	1	1	0.3	0.35	0.30	0.05
Total Usage	92	93	93.00	23.30	23.35	23.30	23.05
Carry out	15.38	13.66	13.66	81.56	58.81	36.11	13.66
Av Monthly Consumption	7.58	7.67	7.67	7.67	7.67	7.67	7.67
Stock to Month Use	2.03	1.78	1.78	10.64	7.67	4.71	1.78
Stock to Consumption Ratio	0.17	0.15	0.15	3.55	2.56	1.57	0.59

Source: Agriwatch(Agriwatch has revised its preliminary wheat production estimate for 2015-16 to be marketed in 2016-17, starting from April-2016 from 85.32 to 89.28 MMT in Feb-2016.)

Wheat production in India for 2015-16 crop year (to be marketed in 2016-17) is expected to cross last year level of 86.53 to 89.28MMT given normal condition in April,2016. Agriwatch has revised its preliminary production estimate from 85.32 MM to 89.28MMT.

Lower than normal production would drag down carryout for 2016-17 to 13.66 MMT, the lowest in 8 years. It would be lower by 1.44 MMT from 2015-16. The season (2015-16) would start with 15.38 MMT carry in stock including private carry in stock of 1 to 1.5MMT.

At export front there is not much scope for Indian wheat exporters due to cheaper price in Russia, Australia, US, Argentina and France. Russia, Argentina and Australia are offering wheat at \$50/70 per tonne lower than India. France wheat is even cheaper. So there is no export window available for bulk export from India. India would be able to export hardly 1 MMT wheat in 2016-17 in neighbouring countries.

Domestic Market Highlights:

Import duty on wheat is likely continue till June. The concerned ministry would analyse overall scenario of wheat and then may take decision over 25 %applicable import duty. Most probably, it may be revised/slashed down if wheat price in domestic market gets abnormally firm in the second half of Current MY. At present supply side in domestic market is easy and there seems no panic at price ,supply and stock front.

Weather condition is favourable for harvesting and threshing. Arrival pace would increase by mid April and price is expected to hover around MSP. South Indian millers are lobbying for slashing import duty on the ground that supply from central India for them is costlier than to import if duty is erased. Some deals for forward months have been struck but price has not been disclosed.

Wheat WPI has decreased slightly from 223.5 in Jan to 221.6 in Feb, 2016. March WPI is awaited on 15th April-2016. Wheat prices may rule steady to slightly weak in the weeks ahead. Monthly wheat inflation change is 2.78 in Feb..It was 3.19 in Jan-2016

Area Coverage Under Wheat Till 28th January-2016:

State Wise Progressive Wheat Sowing Till 28.01.2016					Wheat Procurement Target-2016-17		
	Normal	2015-16	2014-15	% ch	States	Total During 2015-16	Target For 2016-17
Andhra Pradesh	0.088			#DIV/0!	Punjab	103.44	110
Arunachal Pradesh	0.034			#DIV/0!	Haryana	67.78	65
Assam	0.442	0	0.18	-100	UP	22.67	30
Bihar	21.313	22.7	23.03	-1.43	M.P.	73.09	68
Chhattisgarh	1.074	1.6	1.69	-5.33	Bihar	0	7
Gujarat	11.938	9.01	11.34	-20.55	Rajasthan	13	18
Haryana	25.05	25.11	24.9	0.84	Uttarakhand	0.04	1
Himachal Pra.	3.577	3.6	3.58	0.56	Chandigarh	0.11	
J&K	2.916	2.45	2.44	0.41	Delhi	0.02	
Jharkhand	1.387	1.6	1.63	-1.84	Gujarat	0.73	0.85
Karnataka	2.394	1.61	1.86	-13.44	Others	0	0.15
Madhya Pradesh	48.372	51.84	58.44	-11.29	Total	280.88	300
Maharashtra	10.202	6.19	8.59	-27.94	On Area Coverage: Major area loss has been seen in Gujarat, Maharashtra, Madhya Pradesh and Uttar Pradesh while it increased in Rajasthan, Bihar and Haryana and Uttarakhand.		
Manipur	0.024			#DIV/0!			
Meghalaya	0.004			#DIV/0!			
Nagaland	0.029			#DIV/0!			
Odisha	0.024			#DIV/0!			
Punjab	35.168	34.97	35	-0.09			
Rajasthan	27.363	29.66	27.71	7.04			
Tripura	0.004			#DIV/0!			
Uttar Pradesh	97.218	94.99	98.67	-3.73			
Uttarakhand	3.698	3.58	3.25	10.15			

West Bengal	3.208	3.45	3.44	0.29
Others	0.208	0.16	0.19	-15.79
All-India	295.735	292.52	305.94	-4.39

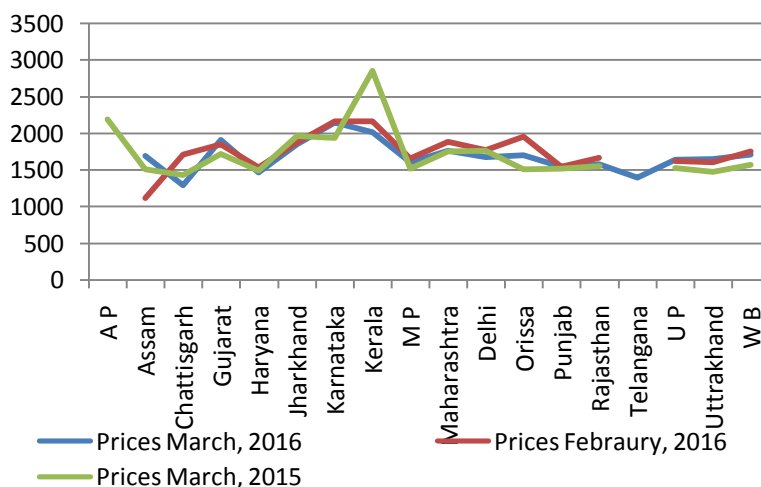
Monthly Average Price Comparison:

All India ave monthly price decreased by 3.67 % from Rs 1747.46 in Feb to Rs 1683.16 per qtl in Mar-2016

Prices increased in Gujarat, Uttrakhand and Uttar Pradesh while it decreased in other states.

Prices may stay steady to weak as arrivals are expected to increase by mid April in central and north India except M.P and Gujarat.

Wheat Monthly Price Trend(Rs /Qtl.)



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

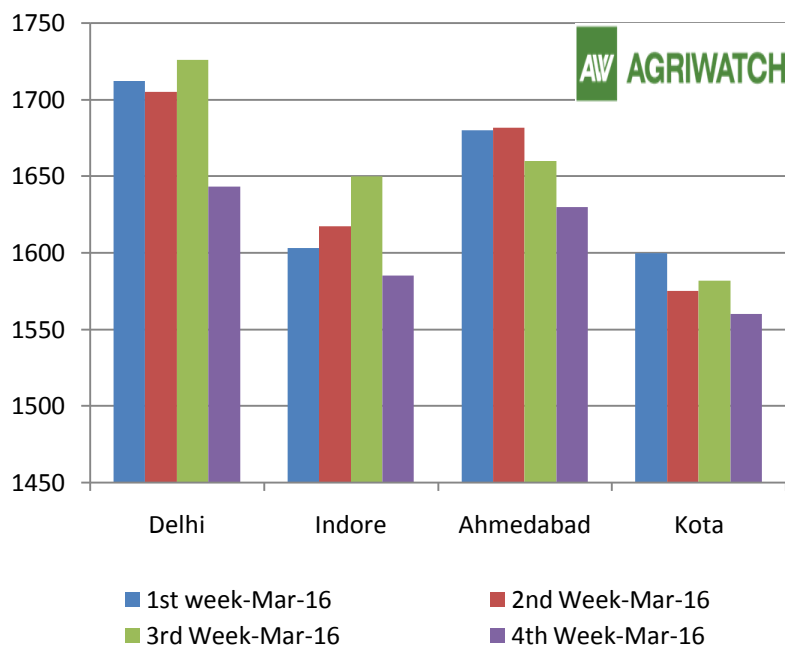
Wheat mill delivery average prices moved slightly down week on week basis in all major markets. Higher decrease was registered in Delhi and Ahmadabad last week due to new arrival, better quality and lower demand from local millers. Besides, higher arrival in MP, Rajasthan and Gujarat has eased supply side.

Prices are likely to stay steady to slightly weak as inner tone in the market turns bearish once again based on higher than expected production prospects this year.

As MSP is higher for this year, major dip is unlikely. This year govt will pay farmers at Rs 1525 per qtl., and it would continue to support market around Rs 1500 per qtl in April.

Wheat in cash market is being traded at Rs 1500 to Rs 1625 per qtl. depending on quality and source of wheat.

Mill Delivery Wheat Weekly Average Price For Mar-2016 (Rs/Qtl)

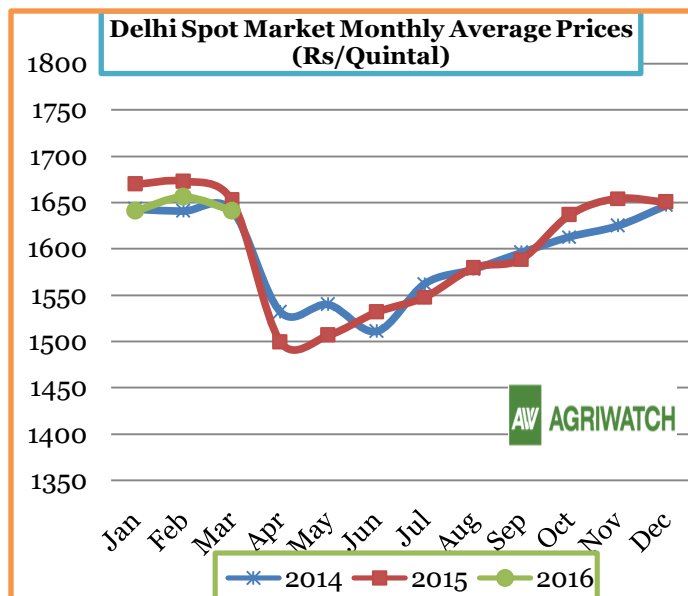


Wheat Average Monthly Prices Movement During Last Three Years

Wheat spot market (Delhi) ave price decreased slightly from Rs 1655.88 in Feb-16 to Rs 1641.17.88 per qtl. in March-2016 due to increased supply, normal demand from local millers and increased pace of harvesting. Cash market may trade range bound to slightly weak as arrival pressure is expected by mid April-2016

Millers are buying lower quantity expecting higher arrivals in the weeks ahead.

With increasing temperature in April arrival would increase and price may stay steady near MSP of Rs 1525 per qtl



Wheat Exports :

According to IBIS data, India exported 3633.28 tonne wheat in the month of March-2016 at an ave FoB price of \$343.37 per tonne.

It was much higher than the average price of Rs309.59 registered in Feb-2016. The reason for higher ave price is mainly attributed to better quality of exported volume in March-2016.

Export volume would not increase much in the month of April too as prices in domestic market rule higher and other exporting countries are offering wheat at cheaper price with assured quality and delivery schedule.

This year (2015-16) India exported only 1.96 lakh tonne wheat against 27.5 lakh tonne in 2014-15. In new MY (2016-17) export volume would remain poor like last year as global market is laden with huge stock piles and exporting countries offer wheat at very attractive price. The gap in FoB quotes vary in the range of \$60 to \$75 per tonne.

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	27.5	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	1798.04	315.79	182
15-Dec	7368.29	314.8	176
16-Jan	2594.17	306.43	173.67
16-Feb	2279.32	309.59	169
16-Mar	3633.28	343.37	170.11
Total 2015-16("000"T)	196666.01	294.89	179.90

Source: DGCIS, *Provisional data from IBIS

Wheat Import :

Wheat import in March, 2016 was registered at 2750 tonne. It decreased considerably last month due to 25% applicable import duty and improved production prospects. However, south Indian millers have struck around 5 lakh tonne wheat deal for new MY (2016-17). Expected delivery is said to be in June –July. Out of it 60,000 tonne wheat from Australia at \$230 on CiF basis is expected in mid April-2016.

Average CiF price was \$257.08 per tonne. If govt. revises import duty down by June end, import volume would increase despite eased supply side in domestic market. Total import has crossed 5 lakh tonne in My 2015-2016. Yearly ave CiF comes to \$272.73 per tonne.

April -2015 (MY-2015-16)	Wheat Import(InThousan d 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	306.83	178.08
15-Oct	16702	262.21	186
15-Nov	0.368	272.5	182
15-Dec	28025.03	254.42	176
16-Jan	4950	253.67	173.67
16-Feb	8250	251.68	169
16-Mar	2750	257.08	170.11
Total 2015-16	502314.42	272.73	179.71

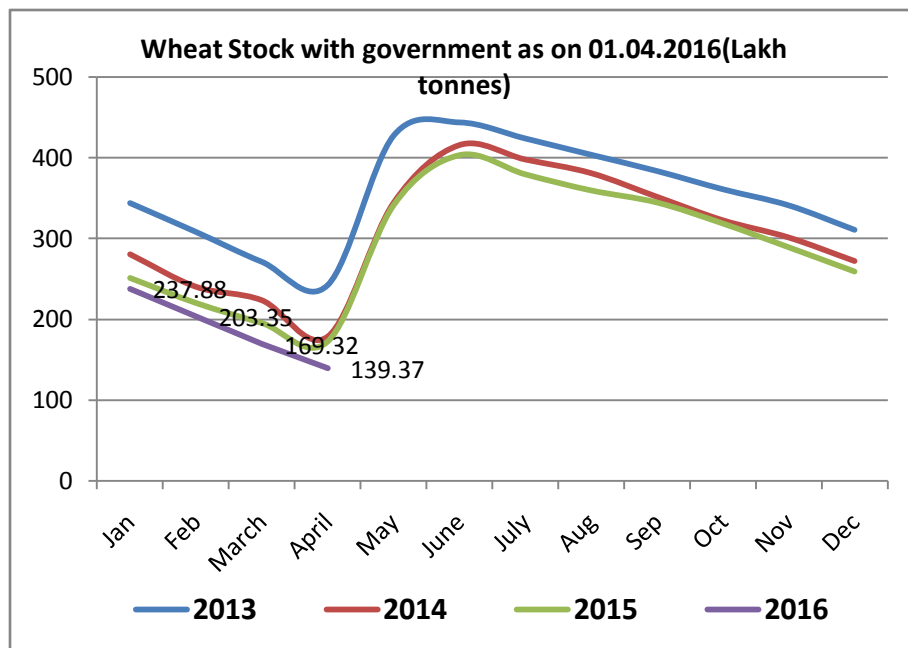
Source: DGCIS, *Provisional data from IBIS

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

Wheat stock in government's ware houses on 01.02.2016 was registered at 139.37 lakh tonne. It is tentative figure. Central pool stock has been declining from 2013 owing to export and lower production/procurement. This year govt has set target for procurement at 30MMT.

Stock is expected to decrease from 15.38 million tonne to 13.33 MMT by end March, 2017.

Despite lower production prospects stock available in central pool is ample to take care of any additional emerging demand.


Wheat procurement:

States	Total During 2015-16	Target For 2016-17	Procurement for 2016-17(Starting From 15th March-2016)	Procurement for the season 2015-2016	% Ch till date over previous year
Punjab	103.44	110			
Haryana	67.78	65			
UP	22.67	30			
M.P.	73.09	68			
Bihar	0	7			
Rajasthan	13	18			
Uttarakhand	0.04	1			
Chandigarh	0.11				
Delhi	0.02				
Gujarat	0.73	0.85			
Others	0	0.15			
Total	280.88	300			

Source:FCI

Wheat Inflation:

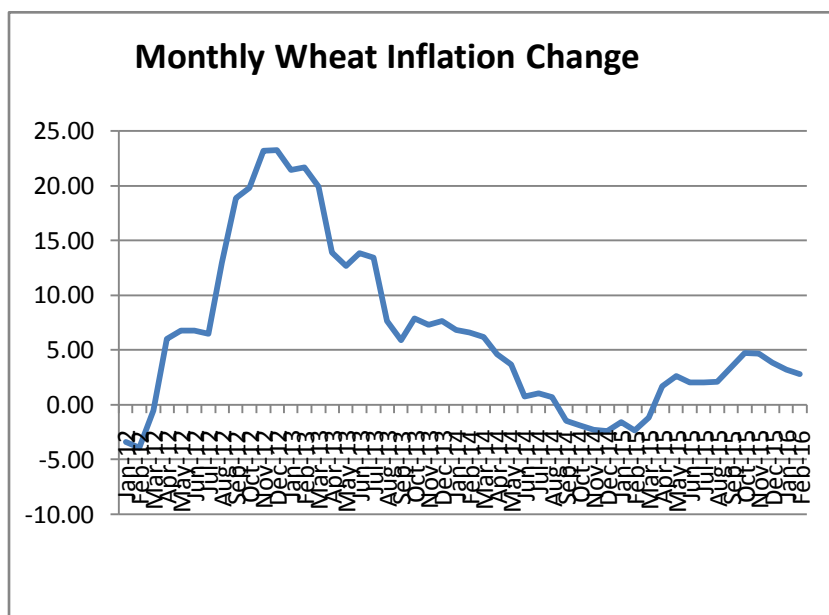
Wheat inflation decreased from 3.19 to 2.78 percent in February-2016. March inflation change data is awaited.

Wheat WPI decreased from 223.5 to 221.6 point month on month basis.

Wheat cash market is likely to trade steady to slightly weak and it may ease inflation pressure in coming weeks.

The given chart shows inflationary pressure and it seems to decrease in coming months as new crop has started hitting the market.

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



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	Feb	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
15-Nov	1654.41	1615.26	1507.35	1508.66	1869.44
15-Dec	1645.83	1610	1545.6	1515	1876.6
16-Jan	1640.83	1600	1609.04	1605.25	1852.38
16-Feb	1655.88	1599.56	1548.63	1566.36	1840.9
16-Mar	1626.75	1557.14	1501.95	1503.82	1831.66

Source: Agriwatch

Monthly Price Comparison of Spot Markets:

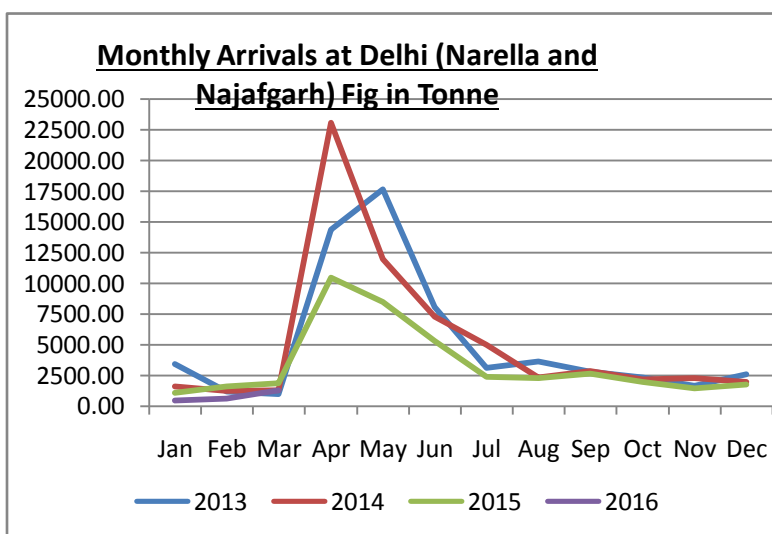
Market Price:							
Centre Spot	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			1-Mar-16	29-Feb-16	23-Feb-16	1-Feb-16	1-Mar-15
Delhi	Lawrence Road	Mill Delivery	1720	1720	1715	1700	1675
	Narella	Mill Quality Loose	1645	1660	1670	1660	NA
	Nazafgarh	Mill Quality Loose	1650	1650	1670	1660	NA
Gujarat	Rajkot	Mill Delivery	1610	1630	1660	1675	1500
	Ahmedabad	Mill Delivery	1680	1700	1725	1740	1580
	Dhrol	Mill Quality Loose	1765	2085	1795	1825	NA
	Surat	Mill Delivery	1710	1730	1750	1765	1620
M.P.	Bhopal	Mill Quality Loose	1500	1500	1550	1525	1400

	Indore	Mill Delivery	1600	1600	1610	1620	1540
Rajasthan	Kota	Mill Quality Loose	NA	1520	1550	NA	NA
		Mill Delivery	NA	1615	1625	NA	NA
U.P.	Kanpur	Mill Delivery	1575	1575	1575	1575	1550
	Mathura	Mill Quality Loose	1630	1650	1640	1675	1460
	Kosi	Mill Quality Loose	1645	1650	1660	1650	1500
	Hathras	Mill Quality Loose	NA	NA	NA	1680	1490
	Aligarh	Mill Quality Loose	1700	NA	1730	1650	1460
Punjab	Khanna	Mill Quality Loose	1620	NA	NA	NA	1530
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	1560
Haryana	Sirsa	Mill Delivery loose	1605	1605	1600	1580	1510
	Hodal	Mill Delivery	1705	1705	1705	1705	1660
	Karnal	Mill Quality Loose	NA	NA	NA	NA	NA
	Bhiwani	Mill Quality Loose	1630	1630	1660	1630	1580
	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	NA	1850	1850	NA	NA
	Madurai	Mill Quality	NA	1907	1907	NA	NA
	Coimbatore	Mill Quality	NA	1907	1907	NA	NA
Bihar	Sitamari	Mill Delivery	1625	1625	1620	1630	1620
	Khagariya	Mill Delivery	1800	1800	1800	1750	1650

Monthly Arrivals at Delhi (Narella and Najafgarh)

Arrivals in Narela and Najafgarh in Delhi region started increasing with the start of new MY. In March total arrival was registered at 1296 tonne. In March 2015 total arrival was registered higher at 1885.3 Tonne. Due to late harvesting arrival flow remains slow.

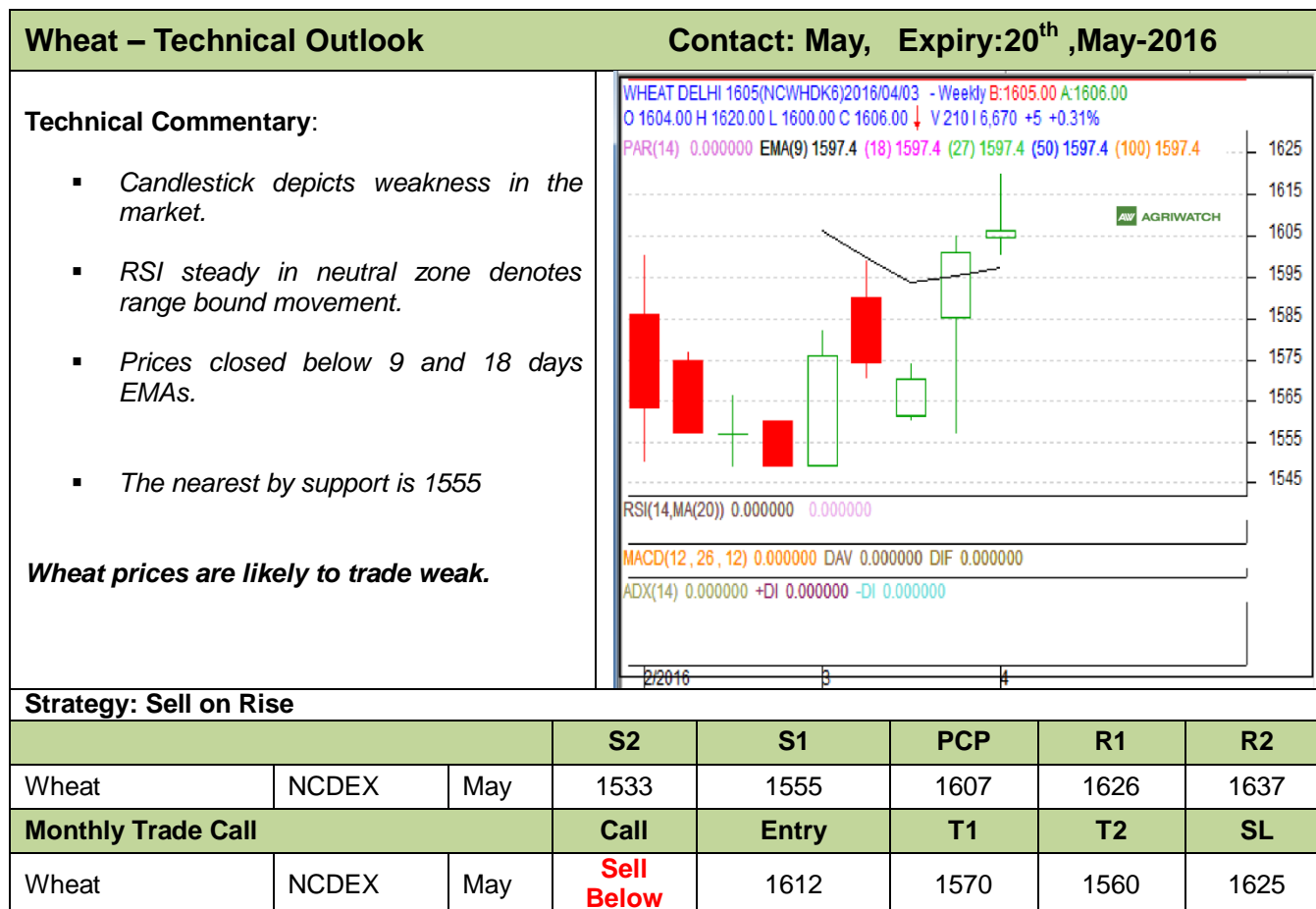
Currently wheat is being traded at Rs 1530 to Rs 1540 per qtl. With increasing pressure price would stable at MSP (Rs 1525) for MY 2016-17.



Domestic Outlook:

Wheat cash market is expected to trade range bound with weak bias likely to continue in the coming weeks due to new arrival in various states like Punjab , Haryana and Uttar Pradesh. Supply is increasing in Madhya Pradesh and Rajasthan too. Private trades are active and wheat is being loaded for Gujarat from Rajasthan. As private parties are active, govt.'s procurement would remain slow in Rajasthan, Madhya Pradesh and Uttar Pradesh in first half of April-2016. Rough weather may hamper harvesting activities.

Wheat Technical Analysis:



* Do not carry-forward the position next month.

International Market Dynamics

IGC has revised wheat production estimate up by 2MMT to 734 MMT in April. It projected global wheat production for 2016-17 at 713MMT. Trade estimate too has been revised up by 2MMT to 154MMT. Consumption has been pegged 1MMT higher at 720 MMT in the month of April- 2016. Carryout stock has been pegged at 214MMT.

Russian Black Sea Region) wheat is flooding Indonesian market due to cheaper availability. Before this Australia was the main wheat supplier to Indonesia around 4 MMT(54 %) per year. Canada was Indonesia's second biggest wheat supplier, with a 23 per cent market share. Competitive wheat prices had made it easier for Black Sea exporters to encroach into Indonesia. The price gap between Australian and Black sea region wheat is \$ 30 per Tonne. Ample supply combined with cheaper freight rates is making Black Sea wheat more competitive into Indonesia.

Russia is set to become the world's second largest wheat exporter in the 2015/16 marketing year, eating into Canadian and the U.S. market share, owing to a weak rouble and a decline in supplies from its main rivals. Russian wheat exports are running at a historically record pace this season, which lasts until June 30, thanks to a large crop of 61 million tonnes in 2015 and the weaker rouble. Global prices are, however, depressed and leading exporters have to compete for a smaller market share due to the oversupply and the 2016/17 season is expected to start with high stocks. Wheat export may reach at 23 to 23.5MMT.

Egypt buys 1.2 lakh tonne wheat from France, 60,000 T from Romania and 60,000 T from Ukraine through tender at \$188.27 on CiF basis. Seller was casillo. FoB quote for this wheat was \$178.87 per tonne. Amepora and Dreyfus sold Romanian and Ukrarian (60,000 each) wheat at \$188.77 and \$189.93 per T on CiF basis. FoB quote for this wheat were \$183 & \$180 per tonne. Wheat would be delivered in mid April-2016.

The European Commission recent forecast says that usable production of soft wheat in the European Union would fall to 142.4 million tonnes in 2016/17 from a record 150.8 million estimated for the current 2015/16 season. Soft wheat stocks would nonetheless increase slightly to 17.4 million tonnes at the end of 2016/17, compared to 17.2 million tonnes of carryover stocks forecast for 2015/16. The Commission's first forecasts for 2016/17 also showed a projected drop in EU soft wheat exports to 27.0 million tonnes from 29.1 million expected this season.

Falling consumption in China and India is adding to the surplus concerns, and prices are falling around the globe. Paris milling wheat reached a five-year low last week, while benchmark Chicago futures fell to the cheapest since 2010. American farmers, saddled with a stronger dollar, are having an even harder time finding buyers for their relatively expensive supplies. The U.S. Department of Agriculture forecasts that exports from the country will shrink to the smallest since 1972.

This year carryout for wheat in France is likely to increase by 0.56 MMT to 5.78 MMT due to lower than normal export volume by end of MY 2015-16. Before this, wheat inventory in France was seen at higher level(3.45 MMT) in 2008-09. Tough competition in global market, ample supply and huge production(40.96MMT) last year have forced France to raise its carry-in stock. Its wheat export volume has decreased by 11.3% year on year basis.

Agri expert from Australia says that wheat export from Australia may decrease by 3.3 percent to 16.95 MMT this year from July 1st-2015. The decline in export is mainly attributed to dry and hot weather that has impacted wheat crop in Australia. Australia has forecast 17.5 MMT wheat export in Sept-2015. Australia last week lowered its wheat harvest estimate by 5.1 percent to 24 million tons. El Nino, which brings drier spring weather to eastern Australia, will probably rank among the three strongest since 1950.

IGC Wheat Balance Sheet(Quantity in MMT)

IGC Forecast(Fig-In MMT)	2013-14	2014-15(Est.)	15/16 f'cast		2016-17 (Proj)
			25.02.2016	01.04.2016	01.04.2016
Production	717	929	732	734	713
Trade	157	153	152	154	153
Consumptions	699	716	719	720	716
Carryover stocks	188	201	213	214	211
Y-O-Y change	19	12		14	-3
Major Export	54	63	70	70	67

IGC Balance Sheet Highlight:

- IGC revised wheat production estimate up by 2MMT to 734 MMT in April-2016. It projects 713 MMT production for 2016-17..
- Trade estimate too has been revised up by 2MMT to 154 MMT. Projection for 2016-17 is 153 MMT
- Consumption has been pegged at 720 MMT in the month of April- 2016, up by 1MMT from previous estimate.
- Carryout stock has been pegged at 214 MMT.

USDA Global Wheat Balance Sheet: 2015-16 Fig. In Thousand Tonne (As on 30.03.2016)							
Country	Opening Stock 2015-16	Production Projected 2015-16	Domestic Consumption 2015-16	Import 2015-16	Export 20 15-16	Ending Stock 2014-15	Production Last Year
Argentina	3,374	11,000	6,350	30	7,000	1,054	12,500
Australia	3,983	24,500	7,225	160	16,500	4,408	23,076
Canada	7,108	27,600	8,800	485	22,000	4,393	29,420
China	76,105	130,190	114,000	2,500	1,000	93,795	126,208
EU	13,653	158,457	125,750	6,300	32,500	20,160	156,656
India	17,200	86,530	90,030	500	650	13,200	95,850
Pakistan	3,742	25,478	24,600	100	700	4,020	25,979
Russia	6,282	61,000	37,000	700	23,000	7,982	59,080
Ukraine	5,171	27,250	12,500	50	15,500	4,478	24,750
United States	20,477	55,840	32,197	3,200	21,500	26,294	55,147
Others	57,553	124,471	248,530	146,011	21,992	57,806	116,805
World total	214,648	732,316	706,982	160,036	162,342	237,590	725,471

Source: USDA

CBOT Futures Dec Chart:

CBOT wheat market trades weak. As market is ruling at lower level, slight recovery is expected. Consolidation phase may start.

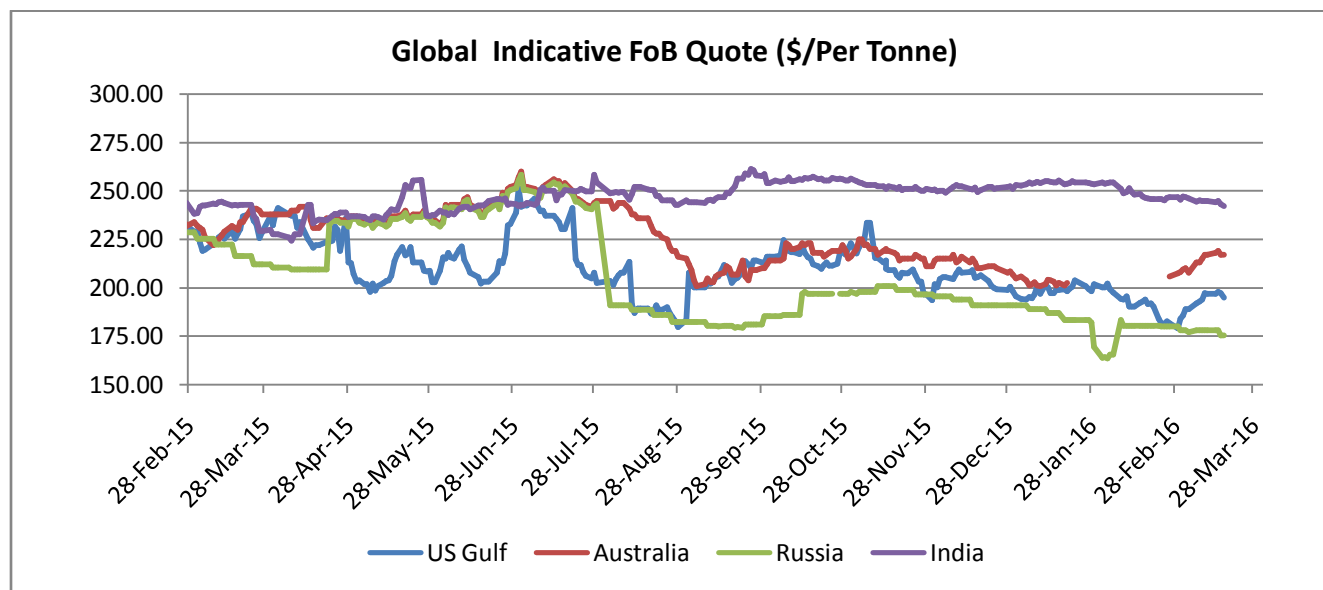
1st Support: 170
2nd Support: 165
1st Resistant: 183
2nd Resistant: 191
(\$ per tonne)


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
	1-Apr-16	25-Mar-16	1-Mar-16	1-Jan-16	1-Oct-15	1-Apr-15	
16-May	174.79	170.11	163.86	175.07	192.24	194.17	-9.98
16-Jul	177.45	172.95	166.25	177.55	192.98	194.54	-8.78
16-Sep	180.94	176.63	169.92	180.85	195.82	197.66	-8.46
16-Dec	186.18	181.95	175.43	186.46	200.60	202.80	-8.20
17-Mar	191.05	186.91	180.49	190.77	190.68	207.76	-8.05

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

All prices are for SRW/milling grade	5th, Aug-15	1st Sept-15	1st Oct-2015	2 nd Nov-15	1 st Dec-15	4th Jan-16	2nd Feb-16	1 st March-16	1 st April-2016
USA	204.6	208	216.1	217.9	201.87	194.1	200.3	228.90	196.80
France	173	156.75	165.25	172.5	182.67	173.47	163.81	NA	141.50
Australia	241	215	214	220	214	NA	NA	234.00	217.00
Russia	191.18	182.5	185.5	197	195.5	191	183.5	228.50	175.50
India	249.18	245.25	254	254.39	251.27	252.6	254.1	249.92	243.10



Russian wheat is the most competitive wheat right now. US wheat FoB is hovering around \$200 per tonne while Australia offers wheat at \$219 per tonne. Indian wheat is most expensive at current price. The gap is unlikely to decrease under current global market fundamentals.

International Outlook:

Wheat global market is likely trade weak despite growing concern over winter wheat crop in US. There is plenty of wheat available in Black Sea Region, US, Australia, France and Canada. Russia, France and U.S are trying to offload their excess stock and all these developments put pressure on global wheat market. Russian wheat is very competitive and there is ample supply from other exporting countries. So stable to weak tone prevails in the market. Range bound movement in April is a seemingly possibility given the normal weather condition. Recovery in market is expected in second quarter of current MY.

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