

Wheat Monthly Research Report

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Market Dynamics:

Price Trend & Crop Size: Wheat cash markets traded up by 0.48 % month on month basis in April-2016 due to higher offering by private traders and thinner grain size in Bihar and eastern Uttar Pradesh. Private traders are active in M.P, Rajasthan, Gujarat, Bihar & Uttar Pradesh..As prices of wheat is ruling higher in Bihar and Uttar Pradesh because of lower crop size, traders are purchasing higher quantity from central India this year and all these factors lend support to cash market fundamentals. All India average price for wheat is ruling higher by 4.35 % from April 2015 to Rs 1737.16 per qtl. Agriwatch expects 90/91 MMT crop size this year against normal of 94/95MMT due to lower production in Bihar, Gujarat and eastern Uttar Pradesh. Lower area coverage in M.P. to has reduced normal crop size.

Production Estimate: 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.

Export-Import: Export window for India is not favourable due to higher local price despite new arrivals and higher production than last year.. Global market offers wheat at very competitive price with assurance of timely delivery and better quality. Price difference is wider, around \$30/60 per tonne. Russia, US, France and Argentina are offering wheat in the range of \$175 to \$219 per tonne on FoB basis. Despite 25% duty on import, south Indian millers have struck around 7 lakh tonne deal in forward months (June onward).Govt. may consider revision on import duty in June end, by then final size of the crop/procurement status would be clear.

FoB/CiF Quotes: India exported 4349.56 tonne wheat in April-2016 at an average FoB price of \$307.20 per tonne. There was no import in April month. The latest wheat import deal for July delivery has been reported at \$272.28 per T on CiF basis from Australia.

Supply-Demand: Supply side is likely to be comfortable as supply from farmers end would continue. With smooth procurement wheat stock in central pool increased from 145.38 lakh tonne (1st April-2016) to 353.48 lakh tonne on 1st May-2016. Stock in central pool seems at comfortable level in absence of export demand and new arrivals so far. Private traders are sourcing wheat from open market as supply side is higher.

Procurement Target: Govt. has fixed 30 MMT wheat procurement target for 2016-17. Given the current scenario and crop condition, procurement target is expected to be met as Punjab, Haryana and Madhya Pradesh would continue to contribute like previous year. Govt agencies have procured 208.11 tonne wheat till 2nd May-2016 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 firm in the short to medium term. Arrival pace in north India has decreased and it would continue to lend support to cash market fundamentals.

Trade Call: Stake holders should trade in June Contract taking care of lower and upper price band of Rs 1635 & 1686 respectively.

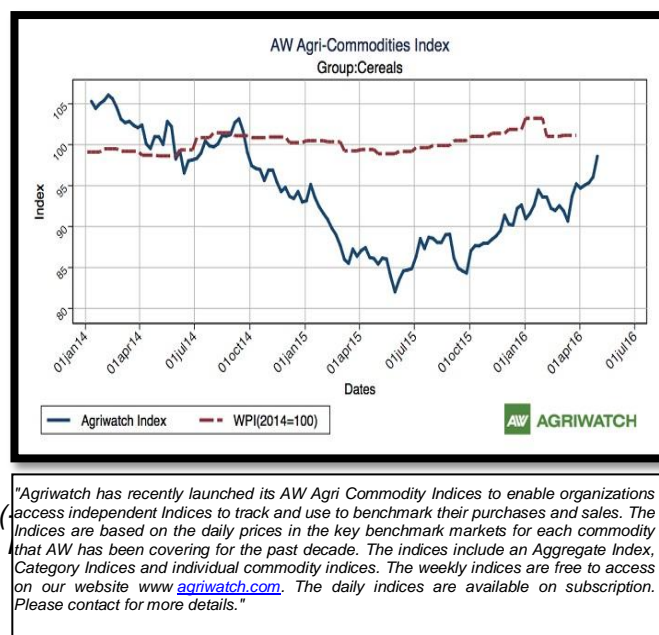
AW Wheat Index:

The Agriwatch Agri Commodities Index rose at a modest 0.35% to 111.62 during the week ended Apr 30, 2016 after a sharp rise during the previous four weeks. The Index ended at 111.23 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).

Higher cereals, edible oils and vegetable prices were partially offset by declines in pulses, sugar and oilseeds prices.

The commodity group Index values and their weekly changes are as follows:

Cereals Index: 98.58 (+2.62%), Edible Oils Index: 114.48 (+2.13%), Vegetables Index: 69.46 (+4.08%), Pulses Index: 183.01 (-3.93%), Oilseeds Index: 112.76 (-2.28%), Spices Index: 133.13 (+1.74%), food Articles Index: 94.66 (+6.09%).



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.)

Supply-Demand Highlights:

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.

There is no panic on supply front as availability is ample. Higher possibility of better rainfall in monsoon season would ensure better coverage area next season. Govt would be able to procure around 28MMT wheat this year and has sufficient stock to take care of any additional demand in domestic market. Govt has fixed 6.5MMT target to sell through OMSS this year at Rs 1640 Per qtl. It would continue to ensure better supply throughout the year.

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 \$35/60 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. Import window is still open despite 25% import duty. Govt may review import duty in July.

Domestic Market Highlights:

Wheat procurement is running smooth and it is higher by 10 % to 208.11 lakh tonne from last year till 2nd May 2016. Total wheat procurement has touched 208.11 lakh tonne till 2nd May 2016 against 189.27 lakh tonne on 2nd May 2015. Punjab has procured 98.94 lakh tonne, Haryana has contributed 64.64 lakh tonne. MP stands third by procuring 36.05 lakh tonne. Rajasthan has procured 4.81 lakh tonne. Uttar Pradesh stands fifth by procuring 3.58 lakh tonne so far.

The government has revised its target down to sell wheat from its stock under OMSS to 6.5-7.5 million tonnes for 2016-17. It could not sell 10 MMT in open market last year set for 2014-15. Food corporation of India could sell 7.1 MMT last year under OMSS. The benchmark price for the sale of wheat to private bulk buyers and traders has been fixed at Rs 1,640 per quintal, higher than the minimum support price of Rs 1,525 per quintal for this year. The selling target will be reviewed in July.

FCI revises economic cost for wheat to Rs 2344.80 per qtl. for the season 2016-17 till 31st March-2017. It was 2199.95 per qtl for 2015-16. Increase of around Rs 144 per qtl. would increase subsidy burden if wheat is sold at Rs 1640 per qtl. for open market scheme.

Wheat WPI has increased slightly to 222 in March, 2016 from 221.6 in Feb, 2016. Wheat prices may rule steady to slightly firm in the weeks ahead on decreasing arrivals from new crop and higher offering by private traders. Monthly wheat inflation percentage increase is 3.02. It was 2.78 in Feb-2016. Wheat cash market price will continue to trade steady and it may encourage inflation in coming weeks as arrival would continue to decline. April data is awaited.

Area Coverage Under Wheat Till 28th January-2016:

State Wise Progressive Wheat Sowing Till 28.01.2016				
	Normal	2015	2014	% ch
Andhra Pradesh	0.088			#DIV/0!
Arunachal Pradesh	0.034			#DIV/0!
Assam	0.442	0	0.18	-100
Bihar	21.313	22.7	23.03	-1.43
Chhattisgarh	1.074	1.6	1.69	-5.33
Goa	0			#DIV/0!
Gujarat	11.938	9.01	11.34	-20.55
Haryana	25.05	25.11	24.9	0.84
Himachal Pra.	3.577	3.6	3.58	0.56
J&K	2.916	2.45	2.44	0.41
Jharkhand	1.387	1.6	1.63	-1.84

Karnataka	2.394	1.61	1.86	-13.44
Kerala				#DIV/0!
Madhya Pradesh	48.372	51.84	58.44	-11.29
Maharashtra	10.202	6.19	8.59	-27.94
Manipur	0.024			#DIV/0!
Meghalaya	0.004			#DIV/0!
Mizoram				#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
Sikkim				#DIV/0!
Tamil Nadu				#DIV/0!
Telengana				#DIV/0!
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
Pondicherry				#DIV/0!
Others	0.208	0.16	0.19	-15.79
All-India	295.735	292.52	305.94	-4.39

Wheat Procurement Status Till 2nd May-2016:

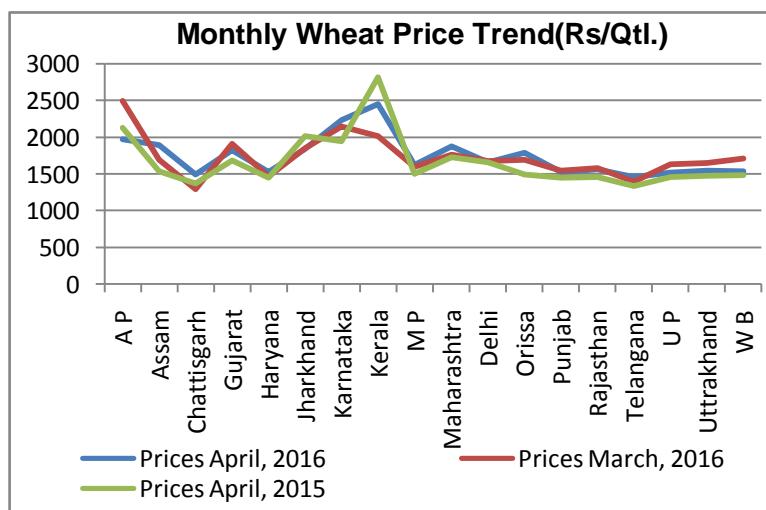
Wheat Procurement upto 2nd May-2016 (Fig In Million Metric Tonne)				
States	Final In 2015	Target In 2016	Till 25th Apr 2016	Till 2nd May-2016
Punjab	10.3	11	8.35	98.94
Haryana	6.7	6.5	5.92	64.64
MP	7.3	6.8	3.4	36.05
Rajasthan	1.3	1.8	0.29	4.81
UP	2.2	3	0.18	3.58
Other		0.9		0.09
Total	27.8	30	18.14	20.81

Source:FCI

Monthly Average Price Comparison:

All India average monthly price increased by 0.48 % from Rs 1728.8 in March to Rs 1737.16 per qtl in April-2016. It is higher by 4.35% from the average price registered in April-2015.

Ave. prices ruled higher in Assam and Chattisgarh while it decreased in other states.



Prices are likely to stay steady to slightly firm as arrivals are expected to decrease by end of May in Central and North India.

It would continue in Rajasthan, Uttar Pradesh and Madhya Pradesh till June.

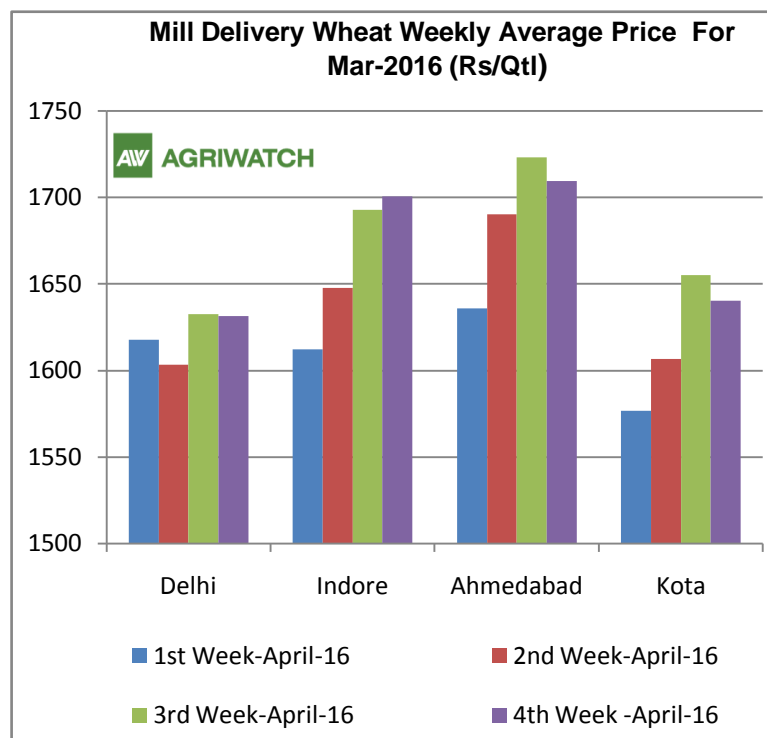
Mill Delivery Wheat Weekly Average Price Movement at key Spot Market:

Wheat mill delivery average prices moved slightly down week on week basis in all major markets except Indore. Higher decrease was registered in Kota and Ahmadabad last week due to ample supply from farmers.. Besides, higher arrival in Rajasthan and Gujarat has eased supply side.

Private parties are active in MP and they are offering higher price for milling quality wheat. It lends support to cash market fundamentals.

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. Smooth procurement by govt.'s agencies too hints at ample supply side.

Wheat in cash market is being traded at Rs 1550 to Rs 1650 per qtl. depending on quality and source of wheat.

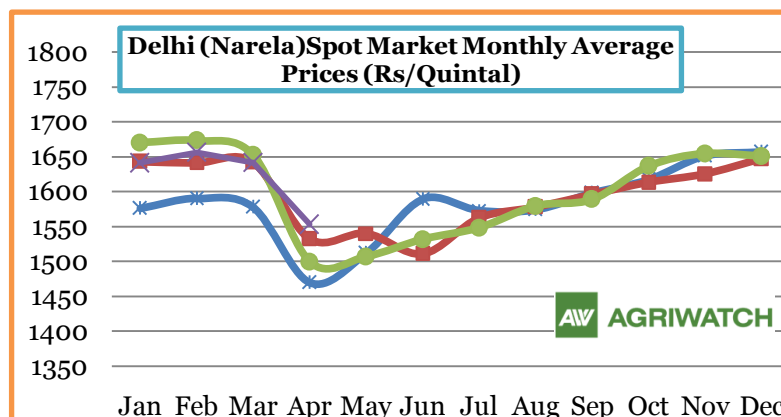


Wheat Average Monthly Prices Movement In Delhi During Last Three Years

Wheat spot market Delhi(Narela) ave price decreased from Rs 1655.88 in March-16 to Rs 1553.05 per qtl. in April-2016 due to increased supply, normal demand from local millers. Cash market may trade range bound to slightly firm as arrival pressure is expected to decrease by May end-2016.

Millers are buying wheat actively as they expect prices to move up in the weeks ahead.

Wheat Exports :



Yearly Quantity	Export(Lakh T)	Quotes India(USD/MT)	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
Apr-15-Mar-16	2.01	294.88	179.9

According to IBIS data, India exported 11558 tonne wheat in the month of April-2016 at an ave FoB price of \$297.54 per tonne.

It was 76.99 percent higher than exported quantity in March-2016. India had exported 2382 Tonne wheat in March-2016. Overall condition for Indian wheat export is not favourable and export volume would remain at negligible level.

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

India exported around 2 lakh tonne wheat last year 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 \$30 to \$60 per tonne.

Source: DGCIS, *Provisional data from IBIS

Wheat Import :

India imported around 5.2 lakh tonne wheat last year. This year import volume may increase to over one MMT if prices in domestic market get firm.

Yearly ave CiF comes to \$272.73 per tonne for 2015-16. This year CiF quote may move up as global market is expected to recover.

Import volume would depend on domestic price, revision in import duty in July-2016 and global FoB quotes.

Source: DGCIS, *Provisional data from IBIS

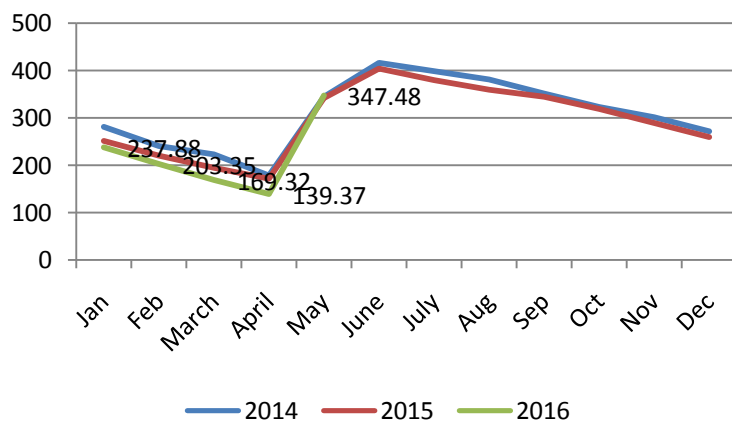
15-Apr	11.558	297.54	173.04
15-May			
15-Jun			
15-Jul			
15-Aug			
15-Sep			
15-Oct			
15-Nov			
15-Dec			
16-Jan			
16-Feb			
16-Mar			
Total 2016-17 ("000" T)	11.558	297.54	173.04

April -2015 (MY-2015-16)	Wheat Import(In Thousand Tonne)	Average CIF Quotes India(USD/MT)	CBOT Average Quotes (USD/MT)
Apr-15 To Mar-16	502.31	272.73	179.71
16-Apr	0		173.04
16-May			
16-Jun			
16-Jul			
16-Aug			
16-Sep			
16-Oct			
16-Nov			
16-Dec			
17-Jan			
17-Feb			
17-Mar			
Total 2016-17			

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

Wheat stock in government's ware houses on 01.05.2016 was registered at 347.48 lakh tonne. It is tentative figure. Central pool stock

Wheat Stock In central Pool As on 1st Every Month (Fig In Lakh Tonne)



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 1520 MMT by end March, 2017.

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

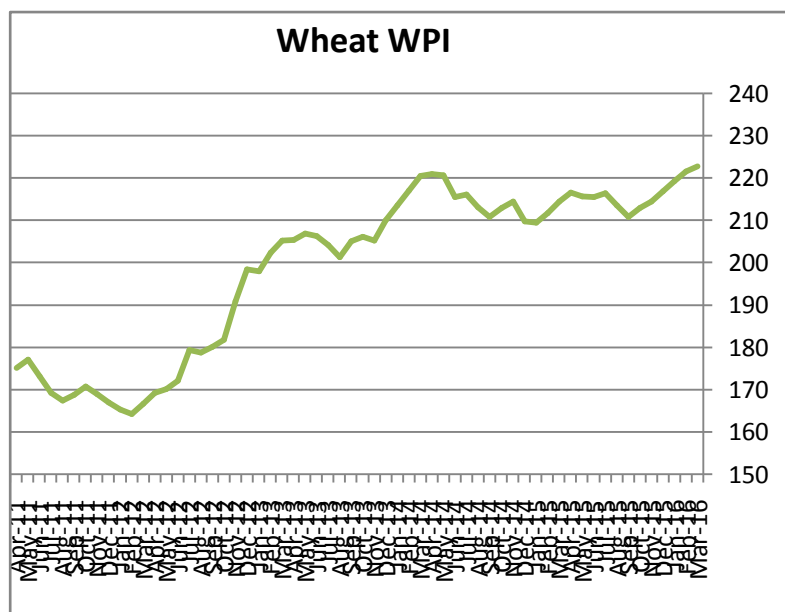
Wheat Inflation:

Wheat WPI has increased slightly to 222 in March, 2016 from 221.6 in Feb, 2016. Wheat prices may rule steady to slightly firm in the weeks ahead on decreasing arrivals from new crop and higher offering by private trades.

Monthly wheat inflation percentage increase is 3.02. It was 2.78 in Feb-2016.

Wheat cash market price will continue to trade steady and it may encourage inflation in coming weeks as arrival would continue to decline

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



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
16-Apr	1553.05	1608.68	1535.83	1533.8	1876.25

Source: Agriwatch

Monthly Price Comparison of Spot Markets:

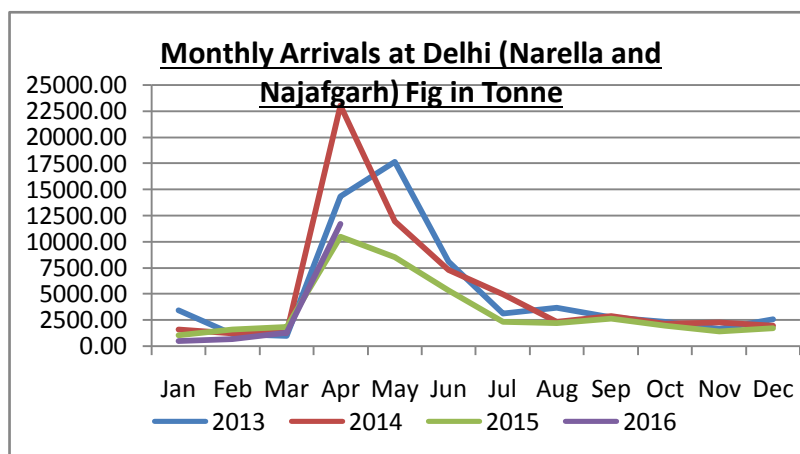
Comparative Price For Wheat market							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			30-Apr-16	29-Apr-16	23-Apr-16	30-Mar-16	30-Apr-15
Delhi	Lawrence Road	Mill Delivery	1630	1625	1640	1635	1485
	Narella	Mill Quality Loose	1580	1590	1580	1620	1435
	Nazafgarh	Mill Quality Loose	1550	1560	1575	1540	1450
Gujarat	Rajkot	Mill Delivery	1600	1620	1660	NA	1410
	Ahmedabad	Mill Delivery	1690	1700	1715	NA	1475
	Dhrol	Mill Quality Loose	1915	1780	2100	NA	1500
	Surat	Mill Delivery	1710	1720	1750	NA	1515
M.P.	Bhopal	Mill Quality Loose	1540	1540	1550	NA	1350
	Indore	Mill Delivery	1700	1700	1690	1580	1490
Rajasthan	Kota	Mill Quality Loose	1570	1540	1575	1470	1400
		Mill Delivery	1650	1620	1665	1550	1475
U.P.	Kanpur	Mill Delivery	1615	1615	1600	1590	1545
	Mathura	Mill Quality Loose	1525	1535	1525	1462	1360

	Kosi	Mill Quality Loose	1480	1480	1495	1455	1300
	Hathras	Mill Quality Loose	1480	1480	NA	1450	1325
	Aligarh	Mill Quality Loose	1500	1500	1490	NA	NA
Punjab	Khanna	Mill Quality Loose	1525	1525	1525	1525	1450
	Ludhiana (Jagraon)	Mill Delivery	1650	1650	1630	NA	1510
Haryana	Sirsa	Mill Delivery loose	1525	1525	1510	1550	1450
	Hodal	Mill Delivery	1600	1600	1600	1600	1470
	Karnal	Mill Quality Loose	NA	NA	NA	NA	NA
	Bhiwani	Mill Quality Loose	1550	1550	1540	1580	1450
	Panipat	Mill Quality Loose	1525	1525	1525	NA	NA
Tamil Nadu	Chennai	Mill Quality	1900	1900	1900	1850	1700
	Madurai	Mill Quality	1957	1957	1957	1907	1757
	Coimbatore	Mill Quality	1957	1957	1957	1907	1757
Bihar	Sitamari	Mill Delivery	Closed	1400	Closed	1640	NA
	Khagariya	Mill Delivery	1550	1550	1500	1800	1380

Monthly Arrivals at Delhi (Narella and Najafgarh)

Arrivals in Narela and Najafgarh in Delhi region started increasing with the start of new MY. In April total arrival was registered at 11731 tonne. In April 2015 total arrival was registered lower at 10485 Tonne. Due to late harvesting arrival flow remained slow.

Currently wheat is being traded at Rs 1575 to Rs 1580 per qtl. With increasing pressure price would hover around Rs 1550/1560 per qtl.



Domestic Outlook:

Wheat cash market is expected to trade range bound with firm bias likely to continue in the coming weeks due to decreasing arrival in various states like Punjab , Haryana and Uttar Pradesh. Supply has narrowed in Madhya Pradesh and Rajasthan too. Private traders are active and wheat is being loaded for Gujarat from Rajasthan and Madhya Pradesh. As private parties are active, govt.'s procurement would remain slow in Rajasthan, Madhya Pradesh and Uttar Pradesh even in May-2016.

Wheat Technical Analysis:

Wheat – Technical Outlook

Contact: May, Expiry: 20th , May-2016

Technical Commentary:

- Candlestick depicts weakness in the market.
- RSI steady in neutral zone denotes range bound movement.
- Prices closed below 9 and 18 days EMAs.
- The nearest by support is 1630

Wheat prices are likely to trade weak.



Strategy: Sell on Rise

			S2	S1	PCP	R1	R2
Wheat	NCDEX	May	1601	1626	1642	1666	1686
Monthly Trade Call			Call	Entry	T1	T2	SL
Wheat	NCDEX	May	Sell Below	1655	1635	1627	1661

* Do not carry-forward the position next month.

IGC has revised its wheat production projection up by 4MMT to 717 MMT at end April against last year's actual of 732MMT. As consumption and trade estimate are almost stable, there is no panic at supply front. Carryout is expected to increase by 5MMT from last year to 218 MMT. Overall supply is expected to be at comfortable level during the first half of 2016.

As per latest update by US department of agriculture winter crop condition is better than normal market expectation so far. It hints ample supply from winter crop once again. Its immediate impact has been seen on CBOT wheat futures, which slips considerably. The USDA pegs winter wheat at 61 percent good-to-excellent, ahead of market expectations of 60 percent.

India's 2016/17 wheat imports are expected to surge more than five-fold to the highest in a decade, as a severe drought linked to an El Nino weather event and unseasonal rains push domestic output down to the lowest since 2011, a Reuters survey shows. Wheat arrivals into India are likely to reach 2.75 million tonnes in the year to June 2017, according to the survey of 11 analysts and traders. Imports would have been even higher, but surplus stocks from a series of bumper harvests since 2007 are expected to help pick up some of the slack in output.

A spike in overseas purchases by India, the world's second largest producer and consumer of the grain, could take some pressure off benchmark wheat prices Wv1 that are mired near five-year lows of \$4.42-1/4 a bushel amid ample world supplies.

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Bangladesh has rejected 100,000 metric tonnes of Russian wheat due to quality issues. The first cargo of 50,000 metric tonnes bought at \$215.87 per tonne (CIF) was rejected as quality did not match the specifications. The second cargo of the same quantity bought at \$233.96 per tonne was also rejected as the foreign body content was 1.08 percent which is 1.01 percent higher than the permissible limit.

As per latest update, farmers in Canada are planning to shift their crop from wheat to peas and lentil due to higher prices and demand in India. This shift will lead to a fall in area for wheat to 23.2 million acres from 24.17 million acres in 2015-16. Farmers aim to plant 5 million acres of lentils and 4.6 million acres of peas. The shift will be mainly in spring wheat rather than winter wheat as Lentil and spring wheat both have same planting period.

Donga one, a group of South Korean flour mills, has purchased 45500 metric tonnes of wheat from Australia in a tender. Of the total quantity 41000 metric tonnes of Australian White wheat with 10.3 to 11.0 percent protein was purchased at \$232 per tonne FOB and 4500 metric tonnes of Australian hard wheat with a minimum of 11.5 percent protein at \$229 per tonne FOB.

Egypt's state grain buyer GASC has purchased 175000 metric tonnes of wheat from Romania and Ukraine. Out of total quantity, 120000 metric tonnes has been purchased from Romania and 55000 metric tonnes from Ukraine. According to traders, 55000 metric tonnes of Ukraine wheat from Venus has been purchased at \$192 per tonne C&F. Romanian wheat is purchased in two consignments of 60000 metric tonnes each from Ameropa at \$192.18 per tonne C&F.

According to latest report, Russian wheat export reached 21.3 mmt since 1st July 2015 as greater demand is supporting the export. At present Black sea mill wheat with 12.5% protein for April shipment is offered at US \$184 per tonne (FOB)

IGC Forecast(Fig-In MMT)	2013-14	2014-15	15/16 f'cast	2016-17 (Proj)	
			25.02.2016	01.04.2016	28.04.2016
Production	717	929	732	713	717
Trade	157	153	152	153	153
Consumptions	699	716	719	716	715
Carryover stocks	188	201	213	211	218
Y-O-Y change	19	12		-	3
Major Export	54	63	70	67	68

IGC Balance Sheet Highlight:

- IGC revised wheat production projection estimate up by 4MMT to 717 MMT in end April-16 for crop year 2016-17. According to IGC global wheat production for 2015-16 was registered at 732MMT. Projection for 2016-17 is quite lower from actual production of last year. The difference is around 15 MMT. Lower projection for wheat may lend support to global wheat market at current level and any major dip from current level is unlikely.
- Trade estimate/projection has not been revised. It has been stable at 153MMT in 2016-17. However it is 1MMT up from actual of last year.
- Consumption has been pegged at 715 MMT for 2016-17, down by 4MMT from last year.
- Carryout may increase from 213 to 218 in 2016-17. It would ensure ample supply for the global market.

USDA Global Wheat Balance Sheet: 2015-16 Fig. In Thousand Tonne (As on 05.05.2016)							
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	11,300	6,350	30	7,500	1,054	12,500
Australia	4,003	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	112,000	3,000	1,000	93,795	126,208
EU	13,825	160,000	128,800	6,300	32,000	20,160	156,828
India	17,192	86,530	90,030	500	650	13,200	95,850
Pakistan	3,710	25,100	24,400	100	600	4,020	25,979
Russia	6,285	61,044	37,000	700	23,000	7,982	59,080
Ukraine	5,178	27,274	12,500	50	15,500	4,478	24,750
United States	20,477	55,840	31,932	3,200	21,300	26,294	55,147
Others	57,574	123,766	247,057	145,511	22,492	57,802	116,603
World total	214,831	733,144	706,094	160,036	162,542	239,256	725,441

Source: USDA

CBOT Futures Dec Chart:

CBOT wheat market trades weak due to higher production estimate for winter from winter crop in US. As market is ruling near support level, recovery is expected. Consolidation phase may start. Market would trade stable around \$165 to \$168 per tonne in near by month.

1st Support: 169
2nd Support: 164
1st Resistant: 182
2nd Resistant: 190
(\$ 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
	3-May-16	26-Apr-16	3-Apr-16	3-Feb-16	3-Nov-15	3-May-15	
16-May	168.91	176.26	174.42	177.73	192.15	193.53	-12.72
16-Jul	172.95	179.20	176.81	179.38	192.33	196.10	-11.80
16-Sep	176.81	182.69	180.30	182.41	195.36	200.32	-11.74
16-Dec	183.24	188.84	185.45	187.37	200.32	206.30	-11.18
17-Mar	189.39	194.26	190.50	190.96	204.09	209.88	-9.76
17-May	193.16	197.57	193.90	192.61	204.64	211.35	-8.60

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

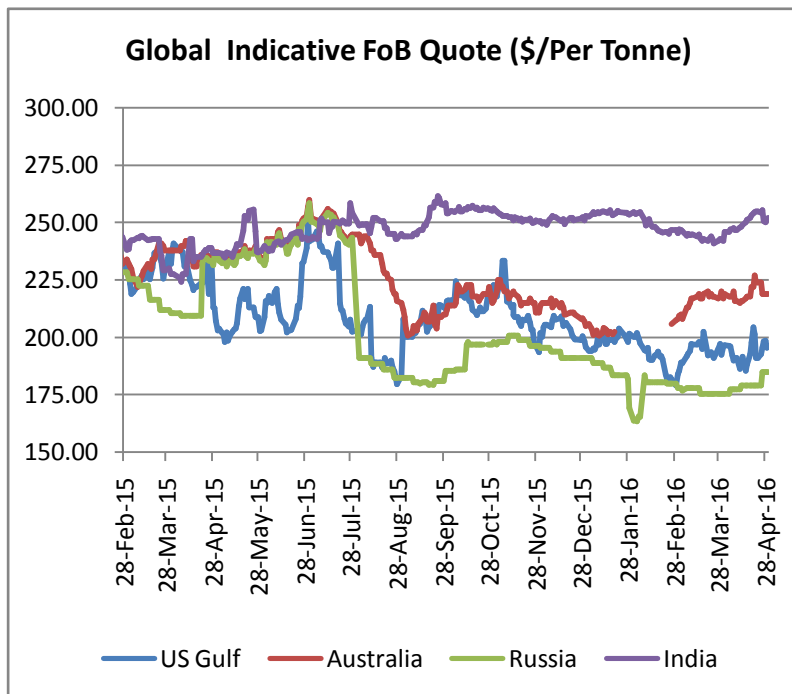
All prices are for SRW/milling grade	1st Oct-2015	2 nd Nov-15	1 st Dec-15	4th Jan-16	2nd Feb-16	1 st Mar-16	1 st Apr-2016	2nd May-2016
USA	216.1	217.9	201.87	194.1	200.3	228.9	196.8	195
France	165.25	172.5	182.67	173.47	163.81	NA	141.5	145.25
Australia	214	220	214	NA	NA	234	217	219
Russia	185.5	197	195.5	191	183.5	228.5	175.5	185
India	254	254.39	251.27	252.6	254.1	249.92	243.1	256.1

Global Indicative FoB Quotes:

Global FoB quotes have decreased slightly in recent week due to higher winter crop production estimate in US. Supply side is expected to remain at comfortable level as carryout for 2016-17 would increase by 5MMT to 218 as per IGC latest update.

Australia offers wheat At \$219 per Tonne. US offers it at \$196 per tonne. Russia and France offer wheat at \$185 & \$145. Against it Indian FoB quote at current price comes to \$250/251 per tonne.

The gap is higher by \$30 to \$75 per tonne. If prices in domestic market continue to rule higher, south Indian Millers may look towards France. Russia to strike fresh import deal despite 25 % import duty in India.



International Outlook:

Wheat global market is likely trade steady despite better production prospects of winter wheat crop in US. More dip from current level is unlikely as bulk buyers are expected to return into the market at current level. 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 would continue to restrict firmness. IGC too has projected higher (5MMT) carryout for 2016-17. Agriwatch expects range bound movement in May given the normal weather condition and fresh buying interest at current level. Recovery in market is expected in second quarter of current MY. At present buyers are in position to bargain as there is a plenty of wheat available in the global market.

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