Domestic Market Updates:

- **Wheat cash markets trade down despite lower production** estimate in the third Adv estimate. There is a gossip in the market that govt. may start releasing wheat from its stock early than expected, probably by the end of June. It may release pressure of lower output. Quality. Premium verities crop may rule higher as short supply would continue to lend support to local market.

- **Agriculture statistics Division, DES has released Third Adv estimates** of Production of foodgrains for 2014-15 on 13.05 2015.It has revised wheat production estimate down by 4.9 MMT to90.78 MMT. In second Adv Est. production was estimated at95.76 MMT. The drastic decrease in third Adv . Est is mainly attributed to inclement weather conditions in March and April. India has produced 95.85 million tonne wheat in 2013-14.

- **South Indian millers have imported 4307 tonne Australian and Russian** wheat last week at Tutikorin port at an average CIF price of$296.36 and $269.93 per tonne. Around 3243 tonne Australian and 1064 tonne Russian wheat have been imported last week. More wheat shipment is expected in May. As per market sources deals for 6 lakh tonne wheat import has been struck so far from Australia and Russia.

- **Exporters buying are not very encouraging as parity is** negative for Indian wheat exporters. However some export is being taking place in countries like Taiwan, UAE, Indonesia and Philippines at an average FOB price of $265.44 Per tonne, basis Kandla.

- **Total wheat procurement was registered at 241.96 lakh tonne** as on 13.05.2015 against 248 lakh tonne till date last year. Punjab has contributed 94.79 lakh tonne so far, followed by Haryana 66.26 lakh tonne. M.P. contribution stands at around 61.83 lakh tonne. Rajasthan have procured9.14 lakh tonne.

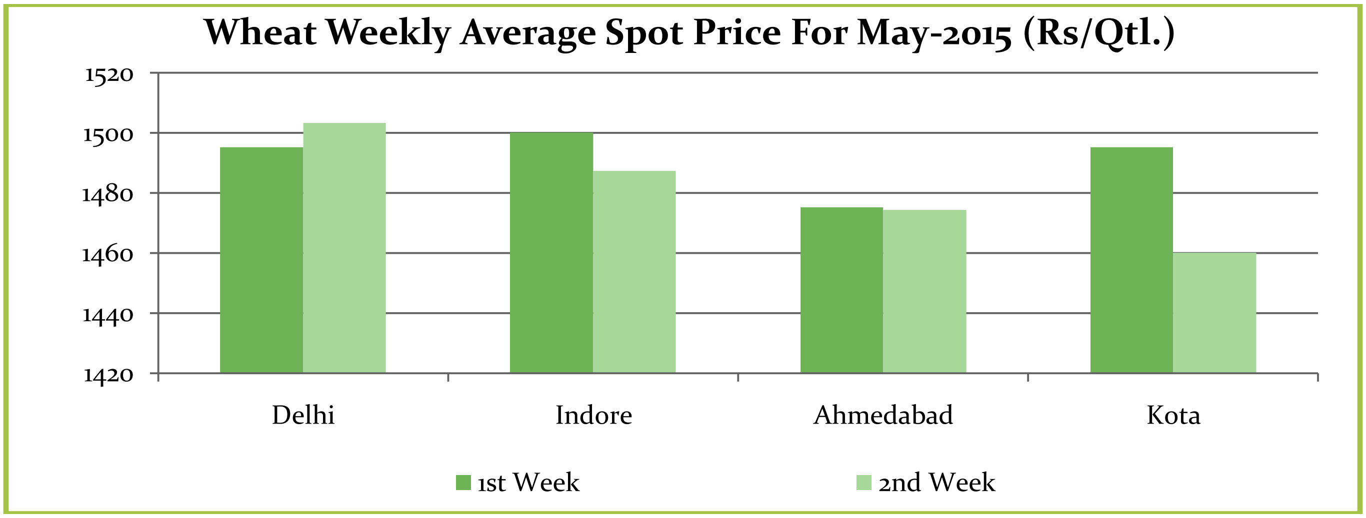
- **Rake loading continues from Kota region to south India** at Rs 1750-60 on delivered basis.In local market it is being delivered to mills at Rs 1525-30 per qtl. FAQ and other fine varieties are ruling higher as short supply of quality grain is being felt in all mandis

- **According to IBIS, export of Indian wheat from 4th to** 10th May, 2015 was registered at around 15215.14 MT at an average FoB price of $265.36./tonne, basis Kandla. The major export destination of Indian wheat were Taiwan, UAE from Pipavav/Kandla port.

- **Traders expect below 90 million tonne wheat crop this year against govt.'s** estimate of around 96 million tonne. Agriwatch estimates 91.14 million tonne wheat production this year. Out of them 25 to 30 percent quality of the crop is expected to be below normal grade. It may push fine grade wheat price up from the start of July. Generally procurement continues till June.

<u>Weather Outlook for subsequent 2 days From 21th May 2015 to 23rd May 2015</u>

- Rain/thundershowers would occur at isolated places over Western Himalayan region.
- Rain/thundershowers would occur at many places over northeastern states, Sub-Himalayan West Bengal & Sikkim and Andaman & Nicobar Islands.
- Rain/thundershowers would also occur at isolated places over south peninsular India.



Wheat Stock:

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.05.2015:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.27	0.00	8.27
NORTH EAST ZONE	0.44	0.00	0.44
NORTH ZONE	82.99	73.10	156.09
SOUTH ZONE	4.43	0.00	4.43
WEST ZONE	12.97	62.88	75.85
TOTAL	**109.10**	**135.98**	**245.08**

Note: Figures in Lakh Tonnes)

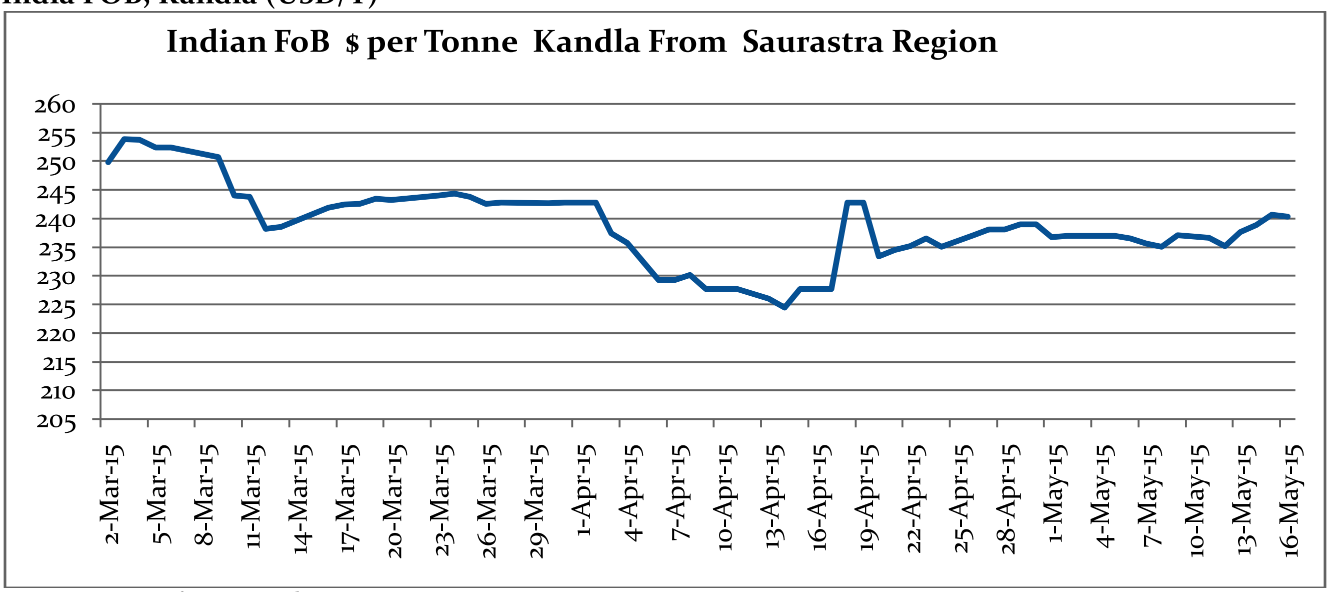
FOB Value as on 15.05.2015 from various destinations at Kandla:

Weekly Parity Sheet from Various centers (As on 15.05.2015)							
Parity Calculation	**Rajkot**	**Kota**	**Khagaria**	**Indore**	**Kosi**	**MSP**	**ECO.Cost**
Basic cost of wheat (Rs/ton)	14400	14650	13850	14850	15000	14500	19100
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	600	600	600	600	600	600	0
Local transport, port warehousing, labour charges, shortage	0	1850	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	15000	17100	16350	16900	17150	16300	19100
Indian FOB (USD/MT)	**235.26**	**268.19**	**256.43**	**265.06**	**268.98**	**255.65**	**299.56**
Insurance @ 0.1%	0.24	0.27	0.26	0.27	0.27	0.26	0.30
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	253	286	274	283	287	274	318
INR Value 64.05 (15.05.2015)	63.76	63.76	63.76	63.76	63.76	63.76	63.76
Russian Wheat FOB (USD/MT)	**230**	**230**	**230**	**230**	**230**	**230**	**230**
Parity on FOB Basis (USD/MT)	**-5**	**-38**	**-26**	**-35**	**-39**	**-26**	**-70**

Spot prices of wheat at NCDEX Delivery centers					
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	15-May-15	8-May-15	15-Apr-15	15-May-14	
Indore	1458	1460	1410	1580	-7.72
Bareilly	-	-	-	1550	-
Delhi	1516	1530	1498	1552	-2.32
Khanna					-
Kanpur	1470	1420	1415	1545	-4.85
Karnal					-
Rajkot	1360	1373	1400	1600	-15.00
Kota	1488	1470	1450	1595	-6.71

Source: NCDEX; NCDEX delivery prices are inclusive of Mandi tax and other applicable state taxes along with handling & packaging costs.

India FOB, Kandla (USD/T)



**FoB Prices are of new arrival*

Wheat Export Weekly Data:

Weekly Export (04May-15 to 10May-15)	Quantity in Mt	FoB ($/Tn)
Total	15215.00	254.17
UAE	13262.00	267.49
Taiwan	789.00	245.51

***Provisional Data (As per IBIS)**

Wheat procurement:

States	Total During 2014-15	Last year Till 13th, May-2014	This year Till 6th May-2015	Comparative % Ch. Till 13th May
Punjab	116.41	94.79	108.13	14.07
Haryana	64.95	66.26	63.53	-4.12
UP	6.28	9.32	2.54	-72.75
M.P.	70.94	61.83	60.42	-2.28
Bihar	0			
Rajasthan	21.59	9.14	13.32	45.73
Uttrakhand	0.01			
Chandigarh	0.05			
Delhi	0			
Gujarat	0			
Jharkhand	0			
HP	0			
Maharashtra	0			
J&K				
West Bengal	0			
Others	0	0.62	0.6	-3.23
TOTAL	280.23	241.96	248	2.50

Wheat procurement is lagging behind by 3.96 percent till 6th May,2015.

Domestic Key Spot Market Weekly Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			16-May-15	9-May-15	
Delhi	Lawrence Road	Mill Delivery	1500	1530	-30
	Narella	Mill Quality Loose	1465	1460	5
	Nazafgarh	Mill Quality Loose	1450	1465	-15
Gujarat	Rajkot	Mill Delivery	1370	1400	-30
	Ahmedabad	Mill Delivery	1470	1480	-10
	Dhrol	Mill Delivery	1830	NA	-
	Surat	Mill Delivery	1500	1510	-10
M.P.	Bhopal	Lokwan	1625	1650	-25
	Indore	Mill Delivery	1465	1520	-55
Rajasthan	Kota	Mill Quality Loose	1380	1390	-10
		Mill Delivery	1470	1460	10
U.P.	Kanpur	Mill Delivery	1550	1545	5
	Mathura	Mill Quality Loose	1350	NA	-
	Kosi	Mill Quality Loose	1280	1300	-20
	Hathras	Mill Quality Loose	1330	1350	-20
	Aligarh	Mill Quality Loose	NA	NA	-
Punjab	Khanna	Mill Quality Loose	1450	1460	-10
	(Ludhiana)Jagraon	Mill Delivery	1560	1550	10

Haryana	Sirsa	Mill Delivery loose	1460	1460	Unch

Technical Analysis:

Commodity: Wheat **Exchange: NCDEX**

Contract: June **Expiry: 20th June, 2015**

Wheat (Weekly Chart)

Technical Commentary:

- Candle stick chart depicts weak tone in the market.
- Fall in price and fall in O.I. indicates long liquidation.
- RSI is moving down in neutral zone hints downward movement.

Strategy: Sell on rise

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	June	1465	1455	1499	1528	1550
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	June	**Sell**	below 1507	1490	1485	1515

*Do not carry forward the position until the next Week.

Domestic Weekly Outlook: **Market is bound to stay steady to slightly weak due to arrival pressure.**

Wheat Futures Contact:NCDEX Price Date:15.05.2015					
Contract Month	**Today(15.05.15)**	**Yesterday12.05.2015**	**Week Ago 05.5.15)**	**Month Ago(13.04.15)**	**Ch % from month ago**
15-May	**1460**	**1469**	1500	**1451**	**0.91**
15-Jun	**1489**	**1495**	1533	**1487**	**0.18**
15-Jul	1520	1528	1454	1514	**0.39**

International Market Updates:

Agriculture ministry of Russia has proposed to abolish wheat export duty from 15th May and suggested the govt to set a new tax formula from 1st of July. Other concerned ministries are almost agree on abolishing duty on wheat. Russian govt has to evolve a new export tax formula that may be implemented from July,2015.The current tax is levied at 15 percent of the customs price plus 7.50 euros, but no less than 35 euros ($39) a tonne.The new tax would be minimum as thinks the market expert.

Russia Is ready to increase wheat export by doing away with export tax from Mid May,2015.Higher production size this year accompained by huge carryout around7.4million tonne(5 years average 5.5 million tonne) and eased pressure of inflation have encouraged govt to end tax on wheat shipment. Wheat prices are under pressure and higher export is the only option to lighten the pressure on price for the next crop.

In general tax resume is supposed to run from Feb to 1st July but this year it may be waived from mid May.Notably,Every wheat shipment from Russia incurred a tax of 15 percent, plus 7.50 euros ($8.55) a ton, causing exports to fall by more than half during February and March.

The US dept. of agriculture is very optimistic towards wheat yield in Kansas this year and has projected 272 million bushel wheat production, higher by 10 percent from last year(246.4 million bushel),the lowest in last 25 years. The statewide yield estimate is 32 bushels per acre, up from last year's 28 bushels peracre. The reason behind good yield prospect is mainly attributed to good rainfall in central and south central Kansas this year. The harvesting of standing crop is likely begin early to mid June.If weather remains favourable harvesting may start early by a week or two.

The Taiwan Flour Millers' Association has issued a tender to purchase 101,950 tonnes of grade 1 milling wheat to be sourced from the United States. Tender deadline is May 20.The wheat is sought in two consignments, one for July 5-19 shipment and the other for July 22 to Aug. 5 shipment.

The group of Israeli traders bought feed wheat for June arrival at $193 a tonne c&f, feed wheat for July arrival at $188 a tonne c&f and for August arrival at $186 a tonne c&f.

The USDA has estimated its initial global wheat ending stock for 2015-16 at 203.32 million tonne,up by2.35 million tonne estimated for 2014-15 crop. it is higher than pre trade estimate of194.2 million tonne. Global wheat production for 2015-16 has been projected at718.93 million tonne. However it is lower than the estimate of 726.45 million tonne estimated for 2014-15.If the forecast materializes, it would be the second highest record of global wheat production.

The USDA has projected global wheat consumption for 2015-16 at 716.59 million tonne in comparison to forecast of715.46 million tonne for 2014-15. Export has been projected to be lower at 156.95 million tonnes in 2015-16 in comparison to 163.7 million tonnes estimated for 2014-15.

Global import demand for 2015-16 is lower with the largest reductions coming from Turkey, Iran, Morocco, and Syria all on better crop prospects. According to USDA latest updates wheat export would decrease from Canada, India, the E.U., Russia and Ukraine while Argentina and Australia would export more wheat.

Black Sea forward prices for Russian new crop wheat with 12.5 percent protein content are currently quoted at $207 per tonne on a free-on-board (FOB) basis. Russia has exported 26.6 million tonnes of grains so far, including 19.6 million tonnes of wheat, since the start of this 2014/15 marketing year on July 1, according to the Agriculture ministry.

(Quantity in MMT)

	2010-11	2011-12	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
						26.03.2015	23.04.2015
Production	653	695	655	713	721	709	705
Trade	126	145	141	155	152	150	151
Consumptions	657	697	678	696	709	711	711
Carryover stocks	194	192	170	187	199	196	194
Y-O-Y change	-4	-1	-22	17	12		-6
Major Export	73	68	50	54	67	65	65

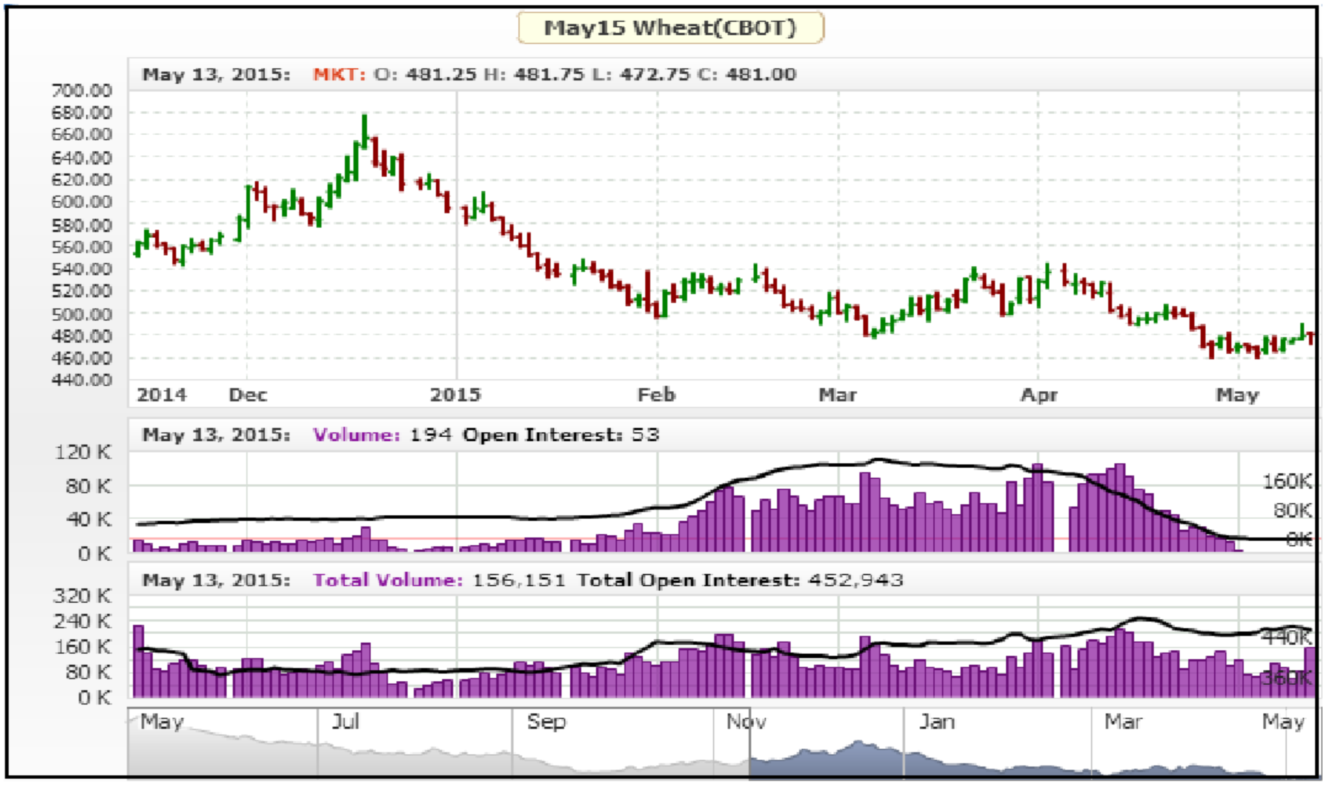
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			15/5/2015	10-May-15	17-Apr-15	16/5/2014
USA (Chicago)	2srw	**-23.87**	213	202.5	222.1	279.8
France	FCW3	**-13.70**	174.75	162.75	172.75	202.5
Australia	ASW	**-17.71**	237	234	233	288
Russia	SRW	**-32.22**	193.5	208.5	209.5	285.5
Ukraine	SRW	**-31.82**	195	210	211	286
Argentina	SRW	**#VALUE!**	220	235	236	NA

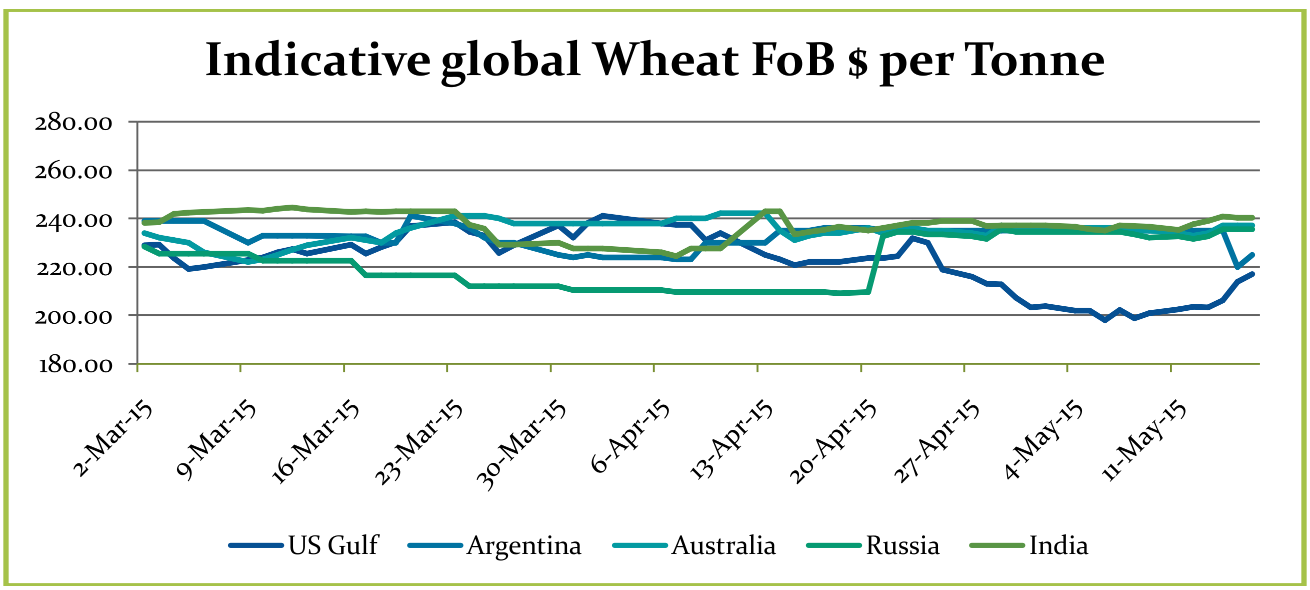
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 14.05.15 (USD/T)						
CONTRACT MONTH	**Today**	**Week Ago**	**Month Ago**	**6 Month Ago**	**Year Ago**	**% Change over previous year**
	13-May-15	**6-May-15**	**13-Apr-15**	**13-Nov-14**	**13-May-14**	
15-May	176.72	174.79	184.53	206.66	257.18	**-31.29**
15-Jul	176.90	176.08	183.79	208.87	260.58	**-32.11**
15-Sep	179.29	179.02	187.10	212.17	263.79	**-32.03**
15-Dec	185.35	185.17	192.33	203.45	269.40	**-31.20**
16-Mar	191.42	191.14	197.66	#VALUE!	#VALUE!	**#VALUE!**
16-May	195.27	195.00	201.24	#VALUE!	#VALUE!	**#VALUE!**

CBOT May- 15 Future Charts:



<u>International FOB prices Weekly price Movement (USD/T):</u>



International Weather update: (Source-USDA)

Australia- Warm, mostly dry weather prevailed across southern Queensland and northern New South Wales, helping cotton and sorghum h arvesting regain momentum in the wake of last week's widespread rains. The warm, sunny weather benefited wheat and other winter crops as well, aiding germination and emergence. Farther south, widespread showers (5-25 mm, locally more) overspread southern Victoria and extreme southern portions of South Australia and New South Wales. Much of the rain fell south of major wheat, barley, and canola producing areas providing only a slight boost in topsoil moisture for germinating to emerging crops. Although more rain would be welcome in the major agricultural areas, winter grain and oilseed planting continued with little delay and was reportedly making good progress throughout the region. Similarly, widespread showers (5-25 mm) overspread the southern fringes of the Western Australia wheat belt.

Argentina- Following last week's soaking rain, drier weather returned to central Argentina, improving conditions for summer grain and oilseed harvesting. Rainfall exceeded 10 mm in eastern and southern sections of Buenos Aires as the storm exited the region; otherwise, little to no rain fell from western Buenos Aires and La Pampa northward to Salta. Similarly, showers (10-100 mm) swept across northeastern Argentina (including northern Santa Fe and eastern portions of Chaco and Formosa), temporarily disrupting cotton harvesting before drier conditions became reestablished. The strong cold frontbrought cooler conditions, with weekly temperatures averaging 1 to 3°C below normal throughout the region.

Russia and Ukraine- Above-normal temperatures expanded across the region, with showers in the west and south contrasting with dry weather for fieldwork in eastern growing areas. Showers associated with a slow-moving storm system west of the region gradually overspread western portions of the spring wheat belt, with 10 to 60 mm of rain in northwestern Kazakhstan and neighboring locales in central Russia boosting soil moisture for crop growth but hampering late planting efforts.

International Weekly Outlook:

Global wheat market is likely to trade steady to slightly weak due to eased weather concern in US and Australia. Black sea region crop too would put pressure on global wheat market. Higher supply in importing countries too would continue to put pressure on international wheat market.