

### Domestic Market Updates:

Wheat physical market trades slightly lower during the week under review. Normal trading activities were seen in major bench mark markets. There is a gossip in the market that bulk users including local millers, DFM have procured considerable quantity of wheat this year in the beginning of the season at Rs 1300-1350 per qtl and have covered their lean season requirements. At price front there is uncertainty in the market and govt's release mechanism would play a crucial role in the months ahead.

Rake loading from Kota, Baran, Bundi region of Rajasthan for Bangalore and Kerala is continued at Rs Rs 1750/1775 per qtl. on delivered basis. Luster loss wheat for the same destination is being loaded at Rs 1680/1690 per qtl.

Local millers and DFM (Delhi Flour mill) are active in western markets of U.P and purchasing wheat at Rs 1540/Rs1550 per qtl. on delivered basis. Local miller are buying wheat at Rs 1450 to Rs 1460 per qtl. Major stake holders are taking position in forward contacts and it hints that price of wheat may move north ward from current level.

There is a gossip in the market that around 1 million tonne wheat from Uttar Pradesh entered into Haryana markets and so procurement figure in Haryana is up this year. Procurement at MSP and issue over shriveled grains, discoloured grains disturbed smooth procurement in U>P and farmers of U>P preferred it to sell it in Haryana.

Total wheat procurement was registered at 265.78 lakh tonne as on 25.05.2015 against 261.39 lakh tonne till date last year. Punjab has contributed 98.72 lakh tonne so far, followed by Haryana 67.55 lakh tonne. M.P. contribution stands at around 71.94 lakh tonne. Rajasthan has procured only 11.68 lakh tonne. Overall procurement is higher by 1.68 percent this year.

South Indian Millers imported 1751.34 metric tonne of wheat from Australia during the week ended 24th May, 2015 at Average CIF \$298.91 per tonne at Tuticorin port. The highest and the lowest CIF value was recorded at \$301 and \$296 per tonne. More import is expected this week and volume may be higher.

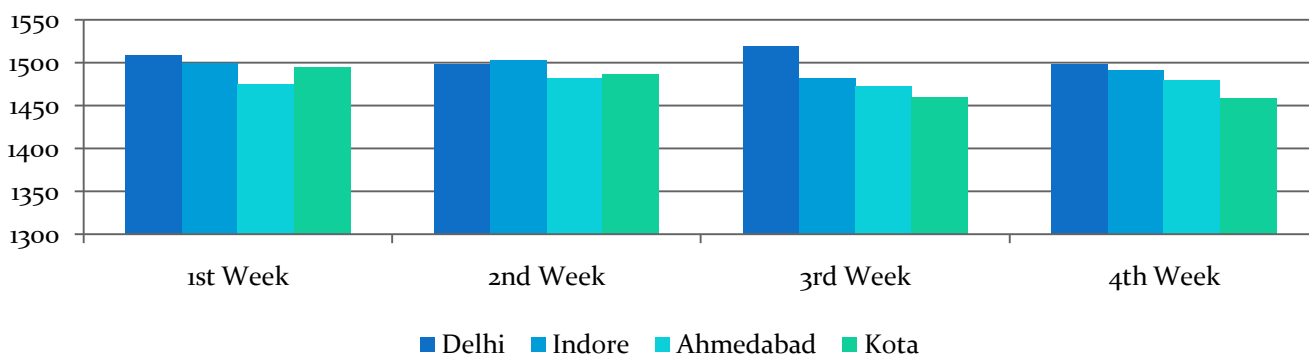
Indian wheat exporters managed to export 2581.86 tonne wheat during the week ended 24th May, 2015. The export volume has come down from last week as prices of milling wheat in domestic market firmed up. Average FOB quote for exported quantity is \$278.52 per tonne. The highest and the lowest quotes were registered at \$339.65 and \$24.96 per tonne. Due to higher price gap Indian exporters are unable to ship more quantity.

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 to 90.78 MMT. In second Adv Est. production was estimated at 95.76 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.

### **Weather Outlook for subsequent 3 days From 1<sup>st</sup> June 2015 to 3<sup>rd</sup> June 2015**

- Heat wave conditions would prevail at isolated places over Odisha, Vidarbha, Madhya Pradesh, East Uttar Pradesh, Jharkhand and Chhattisgarh.
- Thunderstorm accompanied with squall would occur at isolated places over Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Rajasthan, Gangetic West Bengal, Odisha, Jharkhand, Rayalaseema and interior Tamilnadu.
- Heavy to very heavy rainfall would occur at isolated places over Assam & Meghalaya and heavy rainfall at isolated places over Sub-Himalayan West Bengal & Sikkim, Arunachal Pradesh and Nagaland, Manipur, Mizoram & Tripura.

## April Wheat Weekly Average Spot Price Trend (Rs/Qtl.)



### Wheat Stock:

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.05.2015:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
<b>EAST ZONE</b>	8.53	0.00	8.53
<b>NORTH EAST ZONE</b>	0.66	0.00	0.66
<b>NORTH ZONE</b>	132.6	114.03	246.09
<b>SOUTH ZONE</b>	4.52	0.00	4.52
<b>WEST ZONE</b>	13.80	81.68	95.48
<b>TOTAL</b>	160.11	195.71	355.28

Note: Figures in Lakh Tonnes)(Total stock including lying in mandis and in transit was registered at 3092.02 lakh tonne)

### FOB Value as on 29.05.2015 from various destinations at Kandla:

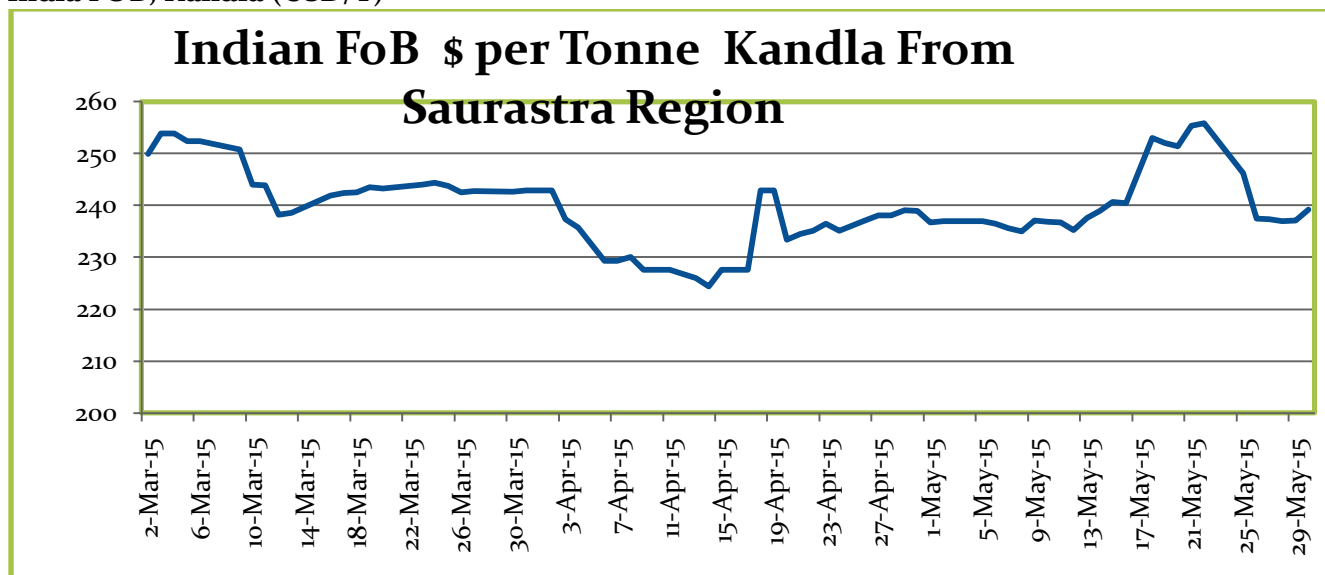
#### Parity Sheet:

Parity Calculation	Rajkot (FOR)	Kota	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14500	14700	13700	14850	15000	15000	19100
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	650	650	650	650	650	600	0
Local transport, port warehousing, labour charges, shortage	0	1850	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	15150	17200	16250	16950	17200	16800	19100
<b>Indian FOB (USD/MT)</b>	<b>237.61</b>	<b>269.76</b>	<b>254.86</b>	<b>265.84</b>	<b>269.76</b>	<b>263.49</b>	<b>299.56</b>
Insurance @ 0.1%	0.24	0.27	0.25	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)	256	288	273	284	288	281	318
<b>INR Value 63.49 (02.05.2015)</b>	63.76	63.76	63.76	63.76	63.76	63.76	63.76
<b>Russian Wheat FOB (USD/MT)</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>230</b>	<b>230</b>
<b>Parity on FOB Basis (USD/MT)</b>	<b>-8</b>	<b>-40</b>	<b>-25</b>	<b>-36</b>	<b>-40</b>	<b>-33</b>	<b>-70</b>

Spot prices of wheat at NCDEX Delivery centers					
NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	29-May-15	22-May-15	29-Apr-15	29-May-14	
Indore	1485	1480	1450	1545	-3.88
Bareilly	-	-	-	1525	-
Delhi	1520	1535	1490	1529	-0.59
Khanna	-	-	-	-	-
Kanpur	1440	1430	1408	1510	-4.64
Karnal	-	-	-	-	-
Rajkot	1376	1375	1370	1580	-12.91
Kota	1480	1475	1486	1556	-4.88

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 wheat

#### Wheat Export Weekly Data:

18th to 24 May,2015	Destination	Quantity MT	Ave FOB Tuticorin	High	Low
Wheat Export	UAE,Taiwan	2581.86	278.52	339.65	224.96

#### Wheat Import Weekly Data:

18th to 24 May,2015	Source	Quantity MT	Ave CIF Tuticorin	High	Low
Wheat Import	Australia	1751.34	298.91	301.32	296.5

\*Provisional Data (As per IBIS)

Wheat procurement Till 25<sup>th</sup> May, 2015:

Total During 2014-15	Target For 2015-16	Expected in 2015-16	25th May-15	25th May-14	% Ch till date
116.41	125	118	98.72	106.85	-7.61
64.95	65	60	67.55	64.14	5.32
6.28	15	15	15.1	3.28	360.37
70.94	78	65	71.94	70.14	2.57
0	0	0.5			#DIV/0!
21.59	20	15	11.68	16.91	-30.93
0.01	1.2	1			#DIV/0!
0.05	0	0			#DIV/0!
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0	1	0.75	0.59	0	#DIV/0!
0	0	0			#DIV/0!
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0	0.2	0			#DIV/0!
0	0.4	0.4	0.2	0.07	185.71
<b>280.23</b>	<b>306</b>	<b>275.85</b>	<b>265.78</b>	<b>261.39</b>	<b>1.68</b>

Wheat procurement is up by 1.68 percent till 25<sup>th</sup> May, 2015.

## Domestic Key Spot Market Weekly Price Comparison:

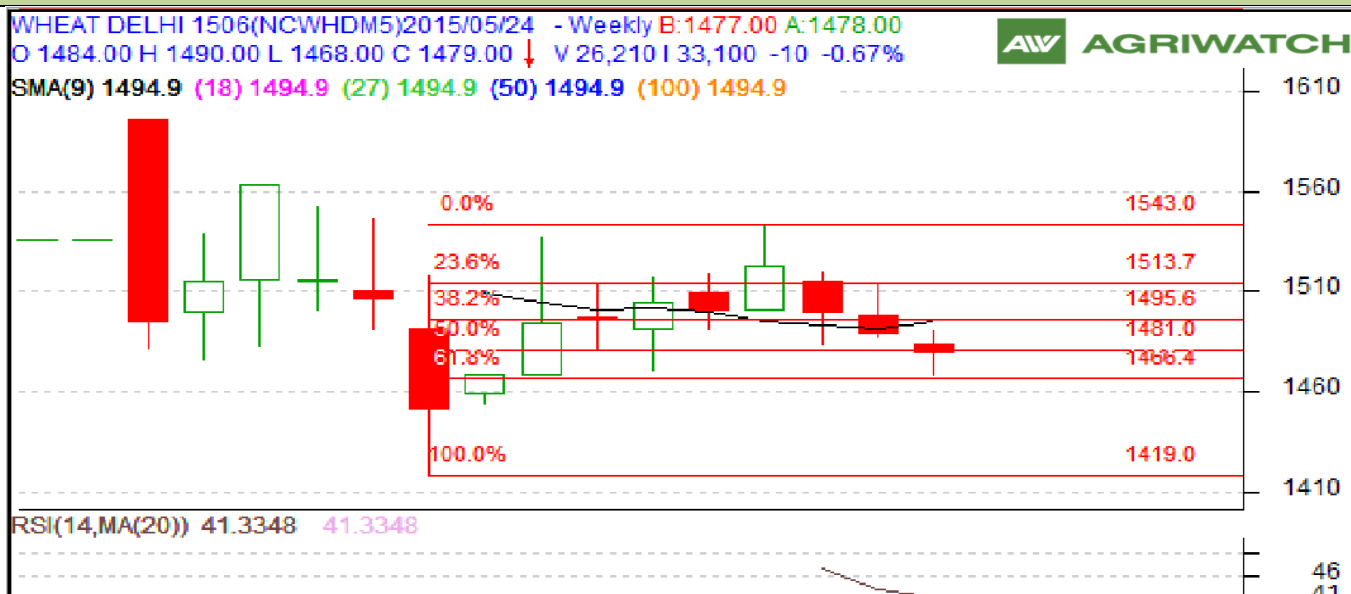
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29-May-15	22-May-15	
Delhi	Lawrence Road	Mill Delivery	1500	1525	-25
	Narella	Mill Quality Loose	1450	1475	-25
	Nazafgarh	Mill Quality Loose	1450	1450	Unch
Gujarat	Rajkot	Mill Delivery	1410	1410	Unch
	Ahmedabad	Mill Delivery	1490	1480	10
	Dhrol	Mill Delivery	1330	NA	-
	Surat	Mill Delivery	1520	1510	10
M.P.	Bhopal	Lokwan	1380	1600	-220
	Indore	Mill Delivery	1485	1510	-25
Rajasthan	Kota	Mill Quality Loose	1390	1380	10
		Mill Delivery	1470	1450	20
U.P.	Kanpur	Mill Delivery	1550	1550	Unch
	Mathura	Mill Quality Loose	1350	1350	Unch
	Kosi	Mill Quality Loose	1300	1325	-25
	Hathras	Mill Quality Loose	1340	1350	-10
	Aligarh	Mill Quality Loose	1350	1360	-10
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
	(Ludhiana)Jagraon	Mill Delivery	1520	1500	20
Haryana	Sirsa	Mill Delivery loose	1465	1460	5

## Technical Analysis:

Commodity: Wheat  
Contract: June

Exchange: NCDEX  
Expiry: 20<sup>th</sup> 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: Buy on dip

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	June	1460	1441	1480	1495	1528
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	June	Buy above	1466	1481	1495	1459

\*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:29.05.2015					
Contract Month	Today(29.05.15)	Yesterday28.05.2015	Week Ago 22.5.15)	Month Ago(27.04.15)	Ch % from month ago
15-Jun	1478	1476	1499	1505	-1.83
15-Jul	1507	1503	1528	1547	-2.65
15-Aug	1533	1537	1561	1574	-2.67

## International Market Updates:

**With improved weather condition in major wheat growing regions** US wheat decreased 0.5 percent in a day. It is ruling at \$4.82 per bushel. It is ruling at \$4.54 per bushel. More decrease is likely as market had touched six months high in recent two weeks under abnormal weather conditions. The Plains have had lots of rains recently and should the warmer weather materialize, yields are likely to be better now. The improved U.S. wheat supply outlook comes amid ample global supplies despite some concern over Russian production.

**Global wheat production in 2015/16 was forecast at 715 million, up from a** previous projection of 705 million but below last season's 721 million. The IGC raised its forecast for wheat crops in China (127 million from 118 million), Russia (55 million from 52 million) and Ukraine (21 million from 20 million). The revisions were partially offset by lower forecasts for India (91 million from 94 million) and the United States (58.2 million from 59 million).

**Russian Govt is considering a proposal that would restrict wheat shipment** from the country. The reason behind this proposal, when new crop has started hitting the market, is to protect their livestock farmers from increasing feed costs. Under this proposal, if implemented, tax would be applied from 1st July (the beginning of the MY 2015-16) on wheat shipment. Tax may be at least 1 ruble per Tonne and may be more if contract prices rise above \$220 per tonne. Prices for next season's crop rose 2.7 percent to \$190 a ton in the week to May 18.

**Japan Agriculture ministry invites tender to buy over one lakh tonne food quality** wheat from US and Canada. Japan keeps a tight grip on imports of the country's second most important staple after rice and buys the majority of the grain for milling via tenders typically issued three times a month. Japan will buy western white and hard red winter from US and western red spring, having protein content of minimum 12.5 percent. from Canada.

**Iraq is in process of buying hard wheat and has invited tender for 50000 tonne** wheat on 26th May, 2015. Tender will close by 7th June and offer will be valid upto 11<sup>th</sup> June. Iraq may source wheat from US, Canada, Australia and Russia. Delivery is expected in between Mid Sept to Oct. Iraq is seeking wheat with 11 percent protein content on a 12 percent moisture basis. Iraq generally buy higher quantity than mentioned quantity in tender.

**An agro consultancy service of Ukraine has revised its wheat** production estimate up to 22 MMT for 2015. Previously this consultancy firm had projected 21 MMT wheat production. Better weather condition throughout the growing season and rains at regular intervals helped to attain better yield. However, it is lower than 2014 crop size when the country had produced 24.1 million tonne wheat.

**The USDA has estimated its initial global wheat ending stock for 2015-16** at 203.32 million tonne, up by 2.35 million tonne estimated for 2014-15 crop. It is higher than pre trade estimate of 194.2 million tonne. Global wheat production for 2015-16 has been projected at 718.93 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 of 715.46 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.

## IGC Wheat Balance Sheet :

	2010-11	2011-12	2012-13.	2013-14 Est	2014-15 F'cast	(Quantity in MMT) 2015-16 Projection	
						23.04.2015	28.05.2015
<b>Production</b>	653	695	655	713	721	705	715
<b>Trade</b>	126	145	141	155	153	151	149
<b>Consumptions</b>	657	697	678	696	710	711	715
<b>Carryover stocks</b>	194	192	170	187	200	194	200
<b>Y-O-Y change</b>	-4	-1	-22	17	11		0
<b>Major Export</b>	73	68	50	54	67	65	67

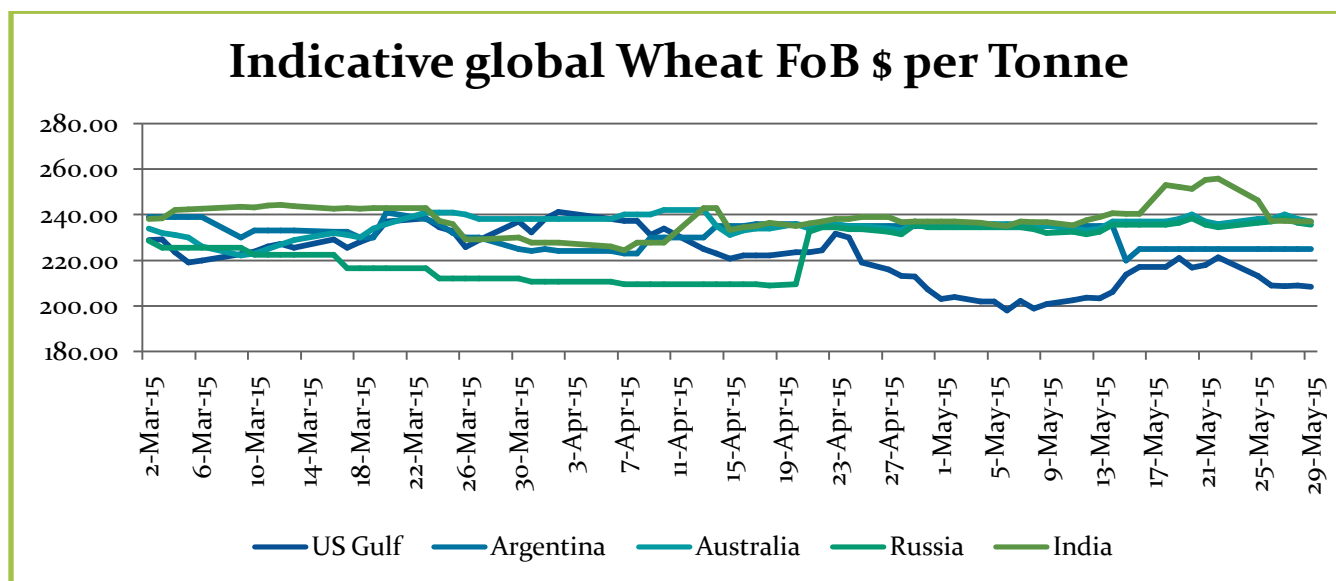
## Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			28-May-15	21-May-15	28-Apr-15	28-May-14
USA (Chicago)	2srw	<b>-19.64</b>	209.0	221.2	213.0	260.0
France	FCW3	<b>-4.85</b>	176.8	181.0	170.0	185.8
Australia	ASW	<b>-18.28</b>	237.0	236.0	233.0	290.0
Russia	SRW	<b>-31.19</b>	193.0	195.0	211.5	280.5
India	Fob	<b>-16.51</b>	237.61	251.40	238.09	284.70

## CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)						
CONTRACT MONTH	Today	Week Ago	Month Ago	6 Month Ago	Year Ago	% Change over previous year
	28-May-15	21-May-15	28-Apr-15	28-Nov-14	28-May-14	
<b>15-Jul</b>	179.57	191.78	174.97	209.23	234.68	<b>-23.48</b>
<b>15-Sep</b>	181.68	194.54	178.46	212.36	238.99	<b>-23.98</b>
<b>15-Dec</b>	187.19	199.31	184.89	215.76	246.16	<b>-23.96</b>
<b>16-Mar</b>	192.70	204.18	191.05	226.13	262.97	<b>-26.72</b>
<b>16-May</b>	196.10	207.12	195.09	226.78	263.61	<b>-25.61</b>
<b>16-Jul</b>	197.66	208.68	195.55	223.65	256.26	<b>-22.87</b>



**CBOT May- 15 Future Charts:****International FOB prices Weekly price Movement (USD/T):****International Weather update: (Source-USDA)**

**Australia-** During the first half of the week, widespread showers (5- 25 mm, locally more) overspread the wheat belt, benefiting recently sown wheat and other crops. Warm, sunny weather returned during the latter half of the week, aiding winter crop germination and emergence. There is considerable concern within Australia that the intensifying El Niño may have a significant negative impact on winter crops later in the growing season. Despite this concern, near- to above-normal precipitation has fallen across the wheat belt since early April, helping maintain good to excellent early-season yield prospects.



**Argentina-** Following several weeks of favorable dryness, rain returned to portions of Buenos Aires, disrupting summer crop harvesting but providing additional moisture for the upcoming winter grain season. Rainfall totaled more than 50 mm in northern and eastern sections of the Province; generally drier conditions prevailed elsewhere in central Argentina, maintaining a rapid pace of corn and soybean harvesting. Mostly dry weather also continued in the northwest, favoring seasonal fieldwork that included winter grain planting. Untimely rain (25-100 mm) persisted in the northeastern cotton belt (northern Santa Fe to Formosa), although amounts were generally lower than those recorded last week and the showers were more scattered in nature.

**Russia and Ukraine-** Wet weather slowed spring wheat sowing in the north but maintained favorable supplemental moisture supplies for irrigated crops in the south. A slow-moving storm system generated 15 to 50 mm of rain across most key growing areas of northern Kazakhstan and south-central Russia, hampering spring wheat planting efforts for much of the week. Spring wheat is typically planted during May, and crop areas in the southern Urals District and neighboring portions of northern Kazakhstan have received 200 to 400 percent of normal rainfall over the past 30 days (as of May 24). However, drier weather at the end of the week allowed producers to resume fieldwork..

### International Weekly Outlook:

Crop loss and US wheat growing belt supported CBOT wheat market but firmness could not sustain due to pressure from Black Sea Region crop and improved weather condition in US wheat growing belt. CBOT wheat market may dip further in the near term. Export sales from US data is not very encouraging and IGC has revised up global production estimate from 705 to 715MMT.

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