

Domestic Market Updates:

Wheat cash market starts firming up in all major markets and more gain is expected in the near to medium term. Arrivals have decreased in major north and central Indian markets due to farmer's engagement in preparation for paddy nursery. Besides, short covering by local millers in anticipation of emerging short supply of FAQ varieties lends support to the cash market fundamental.

Local millers have started taking position in futures market taking advantage of lower price in NCDEX. Arrivals in major mandis have decreased and procurement season is heading towards end now. There is a short supply of FAQ varieties in open market and supply from central pool through OMSS is expected to start by mid-July. Millers would cover their needs for festive demand, starting from July. All these developments hint towards firm market.

India has exported 16459.20 tonne wheat in the second week of June till 14th at an average FOB price of \$259.32 per tonne. During the same period wheat import was registered at 61750.43 tonne at an Ave CiF of \$288.17 per tonne. Wheat has been imported from Australia. Wheat import volume is likely to increase in the weeks ahead.

Wheat stock in central pool was registered at 403.51 lakh tonnes as on 1st June 2015. The highest quantity of wheat is available in north and west zone. It is almost 280 lakh tonne in northern states while western states have around 100 lakh tonne wheat stock. Under buffer norms India needs to maintain 245.80 and 30 lakh tonne and strategic reserve on 1st July, 2015.

Total wheat procurement was registered at 273.9 lakh tonne as on 11.06.2015 against 268.15 lakh tonne till date last year. Punjab has contributed 99.52 lakh tonne so far, followed by Haryana 67.55 lakh tonne. M.P. contribution stands at around 72.61 lakh tonne. Rajasthan has procured only 12.82 lakh tonne. Overall procurement is up by 2.14 percent this year.

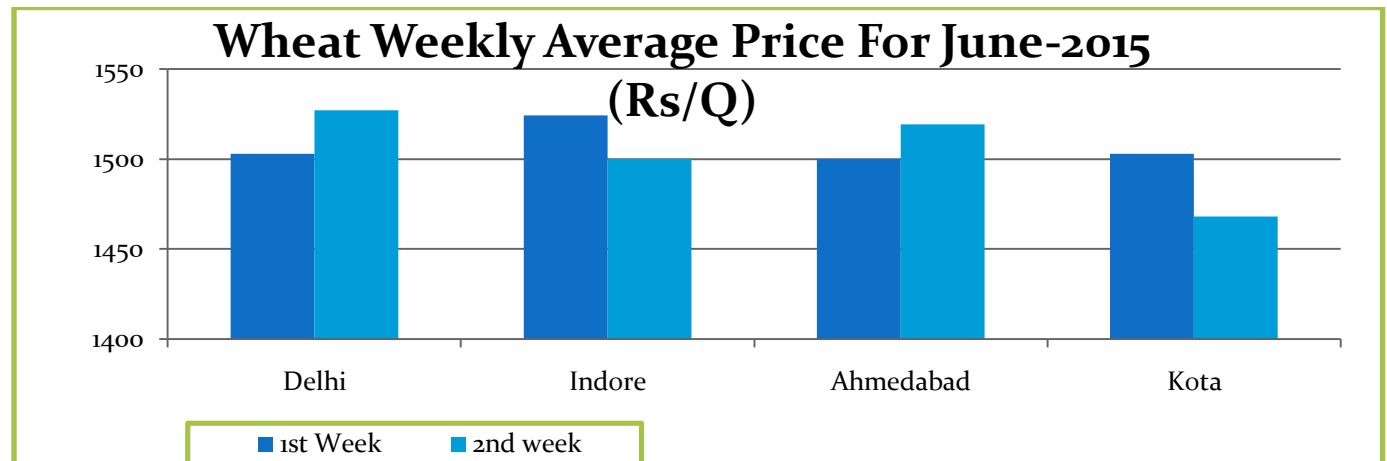
Agriculture statistics Division, DES has released Third Adv estimates of Production of food grains for 2014-15 on 13.05.2015. It has revised wheat production estimate down by 4.9 MMT to 90.78 MMT. In second Adv Est. production was estimated at 95.76 MMT. The drastic decrease in third Adv Est. is mainly attributed to inclement weather conditions in March and April. India has produced 95.85 million tons wheat in 2013-14.

Weather Outlook For (Third Week of June, 2015)

The Northern Limit of Monsoon (NLM) continues to pass through Lat. 21.0° N / Long. 60.0° E, Veraval, Surat, Ujjain, Narsinghpur, Raipur, Kalingapatnam, Lat. 20.0° N / Long. 88.0° E, Krishnanagar and Darjeeling. Conditions are favourable for further advance of southwest monsoon into some more parts of Chhattisgarh, Odisha and West Bengal, remaining parts of Coastal Andhra Pradesh and Bay of Bengal during next 2-3 days.

Heavy to very heavy rainfall would occur at isolated places over Konkan & Goa, Vidarbha, Chhattisgarh, Odisha and Sub-Himalayan West Bengal & Sikkim. Heavy rainfall would occur at isolated places over Uttarakhand, Gujarat state, Madhya Pradesh, Madhya Maharashtra, Coastal Karnataka, Kerala, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura.

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Mixed trend was seen in major bench mark markets of wheat. Prices of wheat firmed up in Delhi and Ahmadabad during the week under review. However, slight decrease was seen in Kota and Indore. Market participants expect recovery in wheat price in Kota and Indore this week as arrivals have declined considerably in last two weeks.

Wheat Stock:

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.06.2015:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.87	0.00	8.87
NORTH EAST ZONE	0.68	0.00	0.68
NORTH ZONE	155.02	125.22	280.24
SOUTH ZONE	4.05	0.00	4.05
WEST ZONE	13.86	87.10	100.96
TOTAL	185.87	217.64	403.51

Note: Fig In Lakh T, Total includes stock in Mandis and in transit too.

FOB Value as on 18.06.2015 from various destinations at Kandla:

Weekly Parity Sheet:

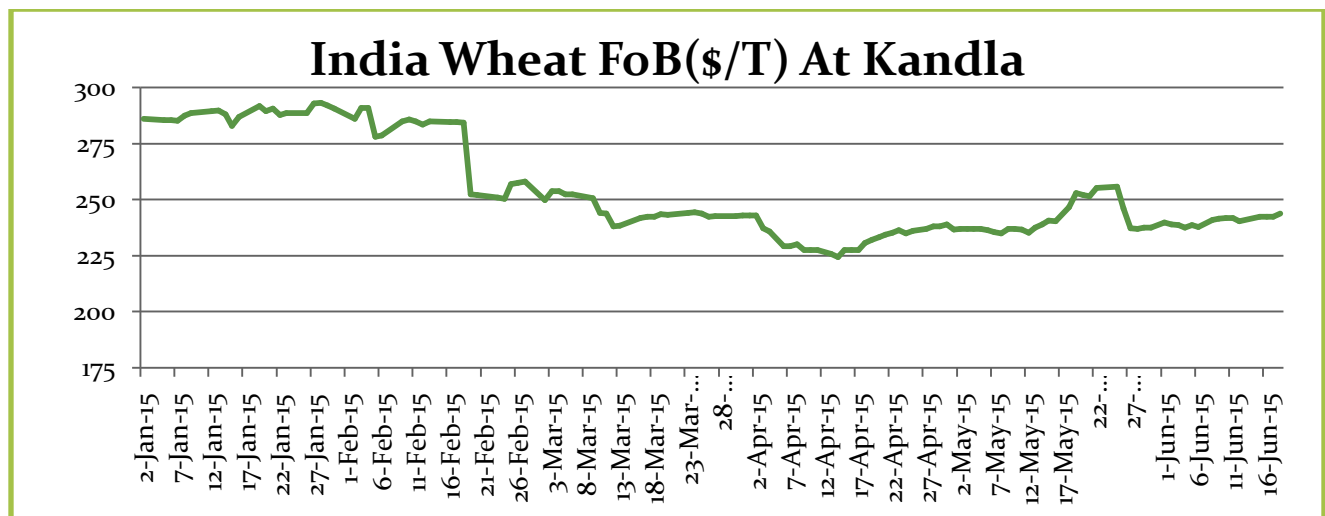
Parity Calculation	Rajkot (FOR)	Kota	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14900	14700	13200	14950	15500	14500	20400
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	650	650	650	650	650	600	0
Local transport, port warehousing, labour charges, shortage	0	1850	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	15550	17200	15750	17050	17700	16300	20400
Indian FOB (USD/MT)	243.58	269.42	246.71	267.07	277.26	255.33	319.55
Insurance @ 0.1%	0.24	0.27	0.25	0.27	0.28	0.26	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	262	287	265	285	295	273	338
INR Value 63.49 (02.05.2015)	63.84	63.84	63.84	63.84	63.84	63.84	63.84
Russian Wheat FOB (USD/MT)	230	230	230	230	230	230	230
Parity on FOB Basis (USD/MT)	-14	-39	-17	-37	-47	-25	-90

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	18-Jun-15	11-Jun-15	18-May-15	18-Jun-14	
Indore	1488	1450	1458	1510	-1.46
Bareilly	-	-	-	1520	-
Delhi	1561	1542	1526	1520	2.70
Khanna	-	-	-	-	-
Kanpur	1455	1470	1470	1503	-3.19
Karnal	-	-	-	-	-
Rajkot	1430	1398	1373	1521	-5.98
Kota	1488	1490	1488	1508	-1.33

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 from Saurashtra Region to Kandla

Wheat Export Weekly Data:

Wheat Export	Quantity MT	Ave FOB Kandla(\$/T)	High	Low
18-24May2015	2581.86	278.52	339.65	224.96
25.-30 May2015	2388.34	268.93	345.19	234
31-May to 7th June-15	3872.38	267.86	362.32	219.78
8th June to 14 June-15	6459.2	259.32	337	222.17

Wheat Import Weekly Data:

Wheat import	Quantity MT	Ave CIF Tuticorin(\$/T)	High	Low
18-24May,2015	1751.34	298.91	301.32	296.5
25-30 May-2015	10004.9	302.95	330	295
31 May to 7th June-15	2082.72	303.31	325.82	289.89
8th to 14 June-15	61750.43	288.17	297.14	270.73

*Provisional Data (As per IBIS)

Wheat Procurement Till 19th June, 2015:

States	Total During 2014-15	Target For 2015-16	Expected in 2015-16	19th June, 2015	19th June, 2014	% Ch till date
Punjab	116.41	125	118	99.52	107.71	-7.60
Haryana	64.95	65	60	67.55	64.14	5.32
UP	6.28	15	15	21.18	4.9	332.24
M.P.	70.94	78	65	72.61	67.94	6.87
Bihar	0	0	0.5			#DIV/0!
Rajasthan	21.59	20	15	12.93	21.54	-39.97
Uttarakhand	0.01	1.2	1			#DIV/0!
Chandigarh	0.05	0	0			#DIV/0!
Delhi	0	0	0	0.1787	0	#DIV/0!
Gujarat	0	1	0.75	0.68	0	#DIV/0!
Jharkhand	0	0	0			#DIV/0!
HP	0	0	0			#DIV/0!
Maharashtra	0	0.2	0.2			#DIV/0!
J&K		0	0			#DIV/0!
West Bengal	0	0.2	0			#DIV/0!
Others	0	0.4	0.4	274.66	269.31	1.99
TOTAL	280.23	306	275.85	274.66	269.31	1.99

Wheat procurement is up by 2.14 percent till 19th June, 2015.

Domestic Key Spot Market Weekly Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Jun-15	11-Jun-15	
Delhi	Lawrence Road	Mill Delivery	1560	1530	30
	Narella	Mill Quality Loose	1500	1470	30
	Nazafgarh	Mill Quality Loose	1500	1450	50
Gujarat	Rajkot	Mill Delivery	1465	1425	40
	Ahmedabad	Mill Delivery	1580	1520	60
	Dhrol	Mill Delivery	NA	NR	-
	Surat	Mill Delivery	1600	1540	60
M.P.	Bhopal	Lokwan	1400	1400	Unch
	Indore	Mill Delivery	1495	1500	-5
Rajasthan	Kota	Mill Quality Loose	1380	1380	Unch
		Mill Delivery	1470	1470	Unch
U.P.	Kanpur	Mill Delivery	1530	1545	-15
	Mathura	Mill Quality Loose	1420	1400	20
	Kosi	Mill Quality Loose	1350	1350	Unch
	Hathras	Mill Quality Loose	NA	1340	-
	Aligarh	Mill Quality Loose	1380	1370	10
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch

	(Ludhiana)Jagraon	Mill Delivery	1480	1500	-20
Haryana	Sirsa	Mill Delivery loose	1480	1470	10

Technical Analysis:

Commodity: Wheat

NCDEX Contract: July 2015

Exchange:

Expiry: 20th June,**Wheat (Weekly Chart)****Technical Commentary:**

- Candle stick chart depicts weak tone in the market.
- Fall in price and fall in O.I. indicate 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	July	1430	1448	1479	1498	1521
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	July	Sell Below	1488	1460	1450	1497

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

Wheat Futures Contract: NCDEX Price Date: 18.06.2015					
Contract Month	Today(18.06.15)	Yesterday 17.06.2015	Week Ago 11.06.15)	Month Ago(18.5.04.15)	Ch % from month ago
15-Jun	1462	1471	1460	1505	-2.94
15-Jul	1485	1487	1478	1536	-3.43
15-Aug	1512	1518	1509	1556	-2.91

Domestic Weekly Outlook:

Wheat market may trade steady to weak in the near term..

International Market Updates:

Russian wheat exporters offer wheat to Iraq at \$231.00 a tonne c&f free out in the tender for hard wheat. The tender closed on Sunday and offers must remain valid up to June 18. Russian wheat exporters was also offered at \$233.00 and \$236.50 a tonne c&f free out. One offer for U.S. wheat was made at \$285.42 a tonne c&f free out, the lowest offer for Australian origin was \$267.50 c&f free out and the lowest from Canada was \$266.00 a tonne c&f free out.

Wheat production forecast in Australia remains unchanged at 23.6 million tonne in 2015-16 despite drought like condition and developing EL Nino pattern. According to Australian Bureau of Agricultural and Resource Economics and Science (ABARES) winter crop season started with favorable condition with below average rains across southeastern Australia in March replaced with generally above average rainfall in April. Higher soil moisture in the east coast may boost production of high-protein prime hard wheat. The impact of crop's yield due to El Nino is not uniform as of now.

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.

A private consultancy firm in Moscow- IKAR has downgraded its wheat production forecast for Russia by one million tonne. It has forecast 55 to 59 million tonne production. Downward revision in production is mainly attributed to warm weather conditions in southern and central wheat producing regions. Dry weather is likely to continue in these regions.

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.

Egypt Govt has managed to lower the import volume of wheat by 2 million tonne first time from 6.4 to 4.6 million tonne for MY 2015-16. Newly applied braed system has enabled govt to cut down wheat import considerably. Expert says that Egypt has enough wheat to take care of domestic needs till Jan, 2016. Efforts are being made to store wheat at Alexandria port. Transport network is being improved to cut down transportation cost.

IGC Wheat Balance Sheet:

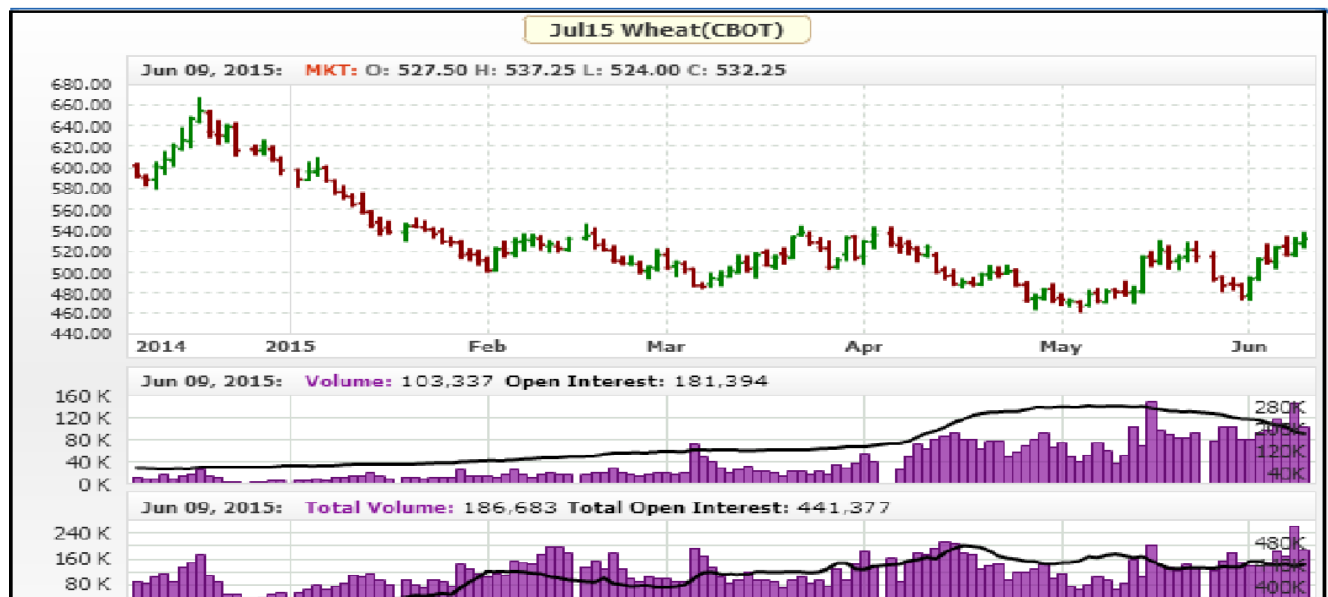
(Quantity in MMT)

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

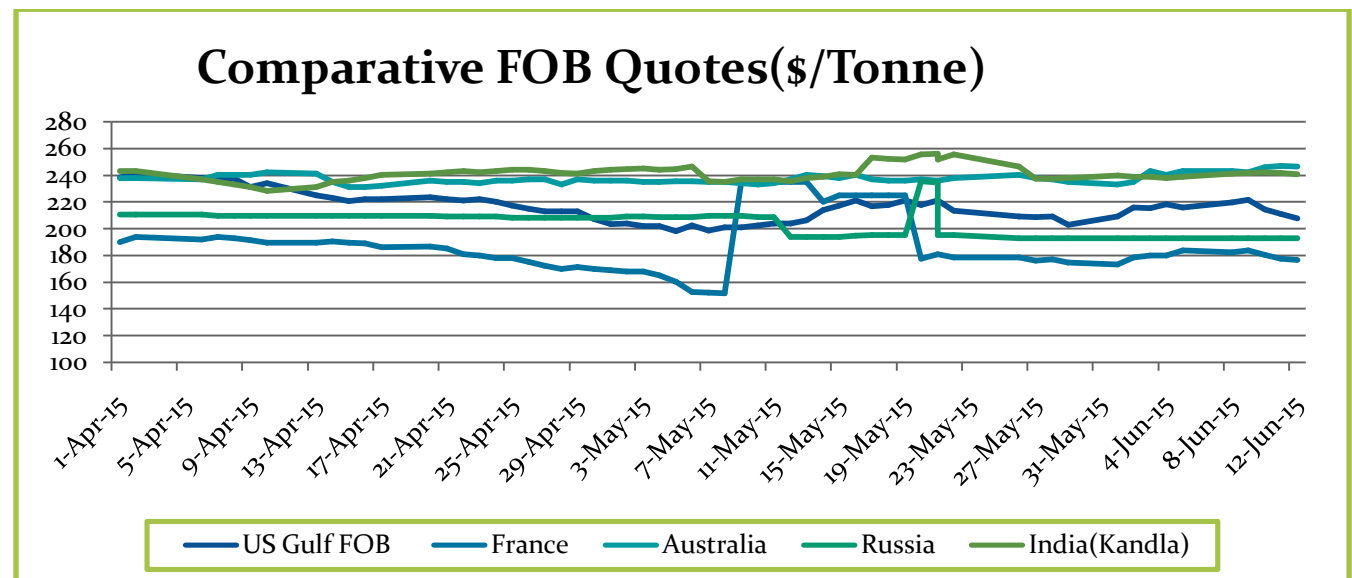
CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	17-Jun-15	10-Jun-15	17-May-15	17-Mar-15	17-Dec-14	17-Jun-14	
15-Jul	180.49	188.66	187.74	186.18	237.62	213.73	-15.56
15-Sep	182.60	191.51	190.13	189.76	240.28	217.04	-15.87
15-Dec	187.65	196.56	195.46	195.00	243.77	224.85	-16.54
16-Mar	192.52	201.24	200.69	199.77	246.43	232.01	-17.02
16-May	195.55	204.46	204.18	201.98	244.05	248.91	-21.44
16-Jul	197.48	206.48	206.39	200.51	235.14	241.57	-18.25

CBOT May-15FutureCharts:



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



International Weather update: (Source-USDA)

Australia- In Western and Southern parts of Australia bulk of the rains occurred in wheat belt, providing little additional moisture for vegetative winter grains. More widespread, albeit light showers fell across Victoria and southern New South Wales, aiding wheat, barley, and canola emergence and establishment. In northern New South Wales, widely scattered showers helped maintain local moisture supplies for vegetative winter grains. Elsewhere in northern New South Wales and in southern Queensland, dry weather reduced moisture supplies for wheat and other winter crops, slowing early crop development.

Argentina- Warm, dry weather sustained rapid rates of summer crop dry down and harvesting. The main agricultural areas of central and northern Argentina recorded little to no rainfall; weekly

temperatures averaging 2 to 6°C above normal enhanced the drying. Conditions were particularly welcome in the northeastern cotton belt (including Chaco and Formosa), where the lingering effects of earlier wetness hampered fieldwork. Wheat planting was reportedly underway in locations where moisture was available.

Russia and Ukraine-Showers and thunderstorms renewed planting delays in western spring wheat areas, though pockets of dry weather enabled fieldwork to proceed locally. After last week's welcomed dry spell across northern Kazakhstan and Russia's southern Urals District, moderate to heavy showers (10-55 mm) renewed planting delays for spring wheat. Spring wheat is typically planted during May, and reports from the field indicated substantial delays due to abnormally wet weather during the month. Despite the mostly unsettled conditions, crop areas from the south-central Urals District into northwestern Kazakhstan benefited from dry, hot weather (up to 8°C above normal).

International Weekly Outlook:

Global wheat market is likely to trade steady to slightly firm due to US lower crop size, below normal prospects for Australian wheat. Likely imposition of export tax by Russia may be supportive for global wheat market. However, any one way spike is unlikely as there is lots of wheat in global market. Overall sentiment for June remains firm.

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