

Domestic Market Updates:

Cash wheat market trades steady to slightly firm on recently imposed import duty of 10 percent and continuous demand from local millers supported by disturbance in arrivals caused by heavy rains in south and central India. Tight supply side for premium/milling grade wheat, imposition of duty may push market further up in the weeks ahead. Bulk users of wheat may turn to central pool stock.

High-quality Australian wheat at south Indian ports is currently quoted at Rs 18,200-18500 per tonne while French and Russian wheat at Rs 12,500 a tonne, while the FCI wheat is costlier at Rs 19,000-20000 per tonne. The basic customs duty of 10 per cent on wheat till March 31, 2016 under Section 159 of the Customs Act 1962 will remain effective till March 31, 2016.

India has exported 2874.52 tonne wheat in the first week of August till 2nd August. at an ave FOB price of \$279.21 per tonne. During the same period wheat import was registered at 48551.21 tonne at an Ave CIF of \$269.07 per tonne. Wheat has been imported from Australia at Tuticorin and Cochin port.

Wheat stock in central pool was registered at 367.78 lakh tonne on 01st August, 2015. The off-take from central pool stock was lower in the month of July. However, firming of cash market and short supply of premium and milling grade wheat may encourage millers towards govt.'s stock.

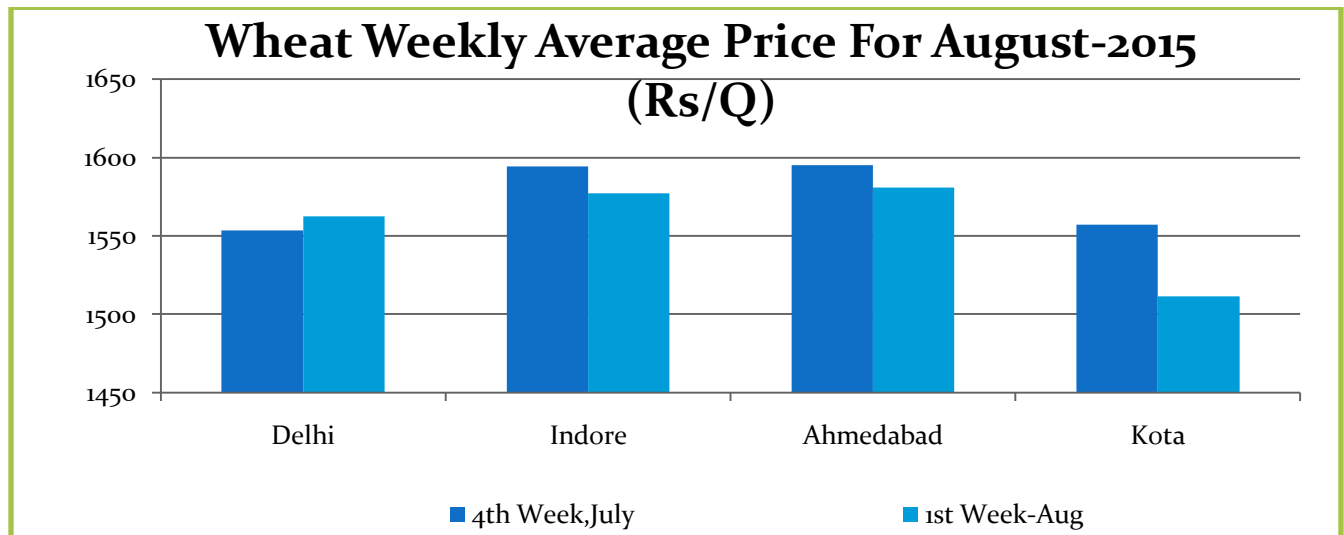
Total wheat procurement was registered at 280.88 lakh tonne as on 14.07.2015 as against 271.66 lakh tonne during same period last year. Punjab has contributed 103.44 lakh tonne so far, followed by Haryana 67.78 lakh tonne. M.P. contribution stands at around 73.09 lakh tonne. Rajasthan has procured only 13.0 lakh tonne. Overall procurement is up by 3.39 percent this year.

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.

Traders expect below 90 million tonne wheat crop this year against govt.'s estimate of around 90.76 million tonne. Agriwatch estimates 91.14 million tonne wheat production this year. Out of them the quality of 25 to 30 percent of the crop is expected to be below normal grade so it may continue to push fine grade price in August too.

Weather Outlook for (Second Week of August, 2015)

The Southwest Monsoon is active over Himachal Pradesh, Uttarakhand, Punjab, Haryana and Delhi. In a span of 24 hours from 8:30 am on Saturday, Tehri and Dehradun in Uttarakhand recorded 26 mm and 22 mm of rain, respectively. In adjoining Himachal Pradesh Una recorded a whopping 96 mm of rain, while Sunder Nagar and Shimla observed 23 mm and 13 mm of rain, respectively. The national capital Delhi also observed a good 30 mm of rainfall in a span of 24 hours from 8:30 am on Saturday. Good rain is also being observed in the coastal areas of Karnataka and Kerala. For instance, Mangalore in a span of 24 hours from 8:30 am on Saturday recorded 34 mm of rain, while Honavar witnessed 21 mm of rain. Kozhikode and Kochi in Kerala also recorded 61 mm and 18 mm of rain, respectively during the same period. Remaining parts of the country are observing normal Monsoon conditions, barring Rayalaseema, Interior Tamil Nadu, Gujarat, West Rajasthan and Chhattisgarh where the weather is almost dry.



Wheat prices traded slightly down in major bench mark markets in the first week of August. However, festive demand for wheat products and millers continued buying at local market remain supportive to the cash market fundamentals. Lack of premium and milling grade wheat in open market and restricted selling by stockists may again push market up in the weeks ahead. However, luster loss wheat may trade steady to slightly weak as supply from central pool would restrict any upward momentum. Export demand too would remain suppressed due to disparity for exporters at current price.

Wheat Stock: As on 1st August, 2015:

| STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.08.2015: | STOCK WITH FCI | STOCK WITH STATE AGENCIES | TOTAL IN CENTRAL POOL |
|--|-------------------|---------------------------------|-----------------------------|
| EAST ZONE | 8.31 | 0 | 8.31 |
| NORTH EAST ZONE | 1.15 | 0 | 1.15 |
| NORTH ZONE | 155.38 | 101.94 | 257.32 |
| SOUTH ZONE | 3.87 | 0 | 3.87 |
| WEST ZONE | 13.83 | 79.55 | 93.38 |
| TOTAL | 185.83 | 182.15 | 367.78 |

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

FOB Value as on 30.07.2015 from various destinations at Kandla:

| Parity Calculation | Rajkot (FOR) | Kota | Khagaria | Indore | Kosi | MSP | ECO.Cost |
|--|-----------------|------|----------|--------|------|-------|----------|
| Basic cost of wheat (Rs/ton) | 15250 | 0 | 15500 | 15750 | NA | 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) | 15900 | 2500 | 18050 | 17850 | 2200 | 16300 | 20400 |
| Indian FOB (USD/MT) | 249.49 | 39.23 | 283.23 | 280.09 | 34.52 | 255.77 | 320.10 |
| Insurance @ 0.1% | 0.25 | 0.04 | 0.28 | 0.28 | 0.03 | 0.26 | 0.32 |
| Freight Charges (US \$/ton) to Chittagong | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| CIF (kandla to Chittagong) | 267 | 57 | 301 | 298 | 53 | 274 | 338 |
| INR Value 63.73 (08.08.2015) | 63.73 | 63.73 | 63.73 | 63.73 | 63.73 | 63.73 | 63.73 |
| Russian Wheat FOB (USD/MT) | 230 | 230 | 230 | 230 | 230 | 230 | 230 |
| Parity on FOB Basis (USD/MT) | -19 | 191 | -53 | -50 | 195 | -26 | -90 |

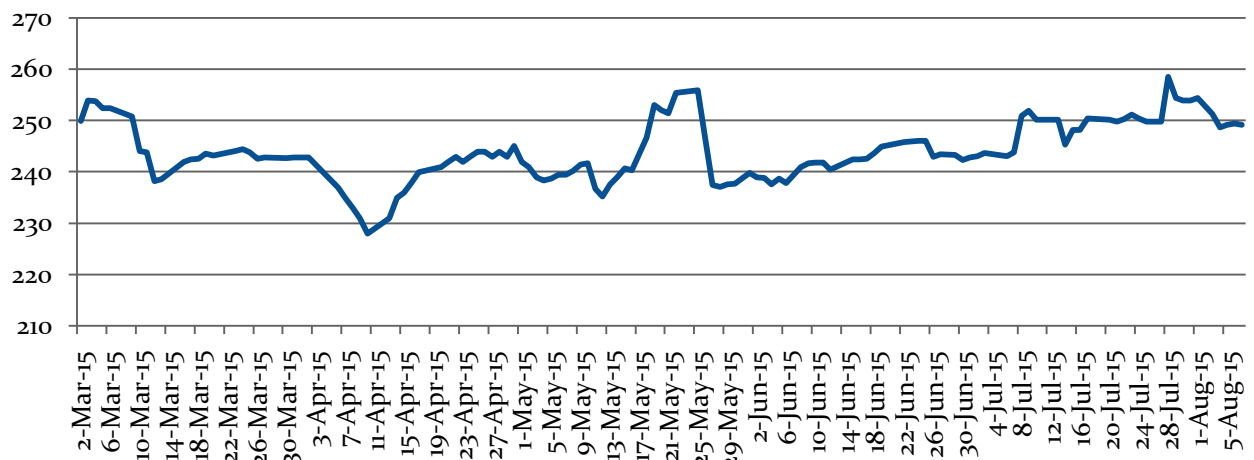
| | Variety | % Change over Prev. Year | Today | Week Ago | Month Ago | Year Ago |
|---------------|---------|--------------------------|----------|----------|-----------|----------|
| | | | 9-Aug-15 | 2-Aug-15 | 9-Jul-15 | 9-Aug-14 |
| USA (Chicago) | 2srw | -18.19 | 207.80 | 198.13 | 242.60 | 254.00 |
| France | FCW3 | -3.05 | 174.75 | 172.25 | 196.00 | 180.25 |
| Australia | ASW | #VALUE! | NA | 244.00 | 250.00 | 266.00 |
| Russia | SRW | -20.58 | 191.00 | 191.00 | 196.00 | 240.50 |
| India | Fob | #VALUE! | 249.22 | 253.91 | 243.81 | NA |

| Spot prices of wheat at NCDEX Delivery centers | | | | | |
|--|-----------|----------|-----------|-----------|-----------------------------|
| NCDEX SPOT | Today | Week Ago | Month Ago | Year Ago | Change over previous Year % |
| | 10-Aug-15 | 3-Aug-15 | 11-Jul-15 | 10-Aug-14 | |
| Indore | 1525 | 1551 | 1504 | 1600 | -4.69 |
| Bareilly | - | - | - | 1560 | #VALUE! |
| Delhi | 1566 | 1561 | 1550 | 1588 | -1.39 |
| Khanna | | | | | #DIV/o! |
| Kanpur | 1465 | 1458 | 1450 | 1555 | -5.79 |
| Karnal | | | | | #REF! |
| Rajkot | 1495 | 1533 | 1456 | 1590 | -5.97 |
| Kota | 1566 | 1578 | 1540 | 1605 | -2.43 |

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):

Indian FoB \$ per Tonne Kandla From Rajkot



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FoB Prices are of new wheat from Saurashtra Region to Kandla

Wheat Import Weekly Data:

| Wheat import | Quantity MT | Ave CIF Tuticorin | High | Low |
|-----------------------|------------------|-------------------|---------------|---------------|
| 18-24May,2015 | 283896.74 | 285.79 | 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 |
| 15to21,June-15 | 5745.03 | 295.85 | 318.15 | 270.73 |
| 22 to 28,June-15 | 27,500 | 268.78 | 268.78 | 268.78 |
| 29 to 5th July-15 | 15994.28 | 301.25 | 313.61 | 240 |
| 6th to 12 July--15 | 71149.72 | 270.58 | 304.44 | 254.63 |
| 13th to 19th July | 35115.01 | 263.85 | 266.77 | 255.1 |
| 20th to 26th July-15 | 4252.1 | 280.97 | 288.46 | 273.48 |
| 27th to 2nd Aug-15 | 48551.21 | 269.07 | 288.46 | 273.48 |
| Total | 283896.74 | 284.59 | 300.26 | 271.66 |

Export volume increased significantly last week.

Wheat Export Weekly Data:

| Wheat Export | Quantity MT | Ave FOB Kandla(\$/T) | High | Low |
|------------------------|-------------|----------------------|--------|--------|
| 2015-Apr | 62669.6 | 245.23 | 355 | 241 |
| 1st to 17th May-2015 | 20845.49 | 281.7 | 341.5 | 239.7 |
| 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 |
| 15th to 21st ,June -15 | 3624.07 | 273.88 | 337.52 | 238.93 |
| 22to 28,June-15 | 3432.95 | 273.75 | 338.58 | 229.12 |

| | | | | |
|----------------------|-----------|--------|--------|--------|
| 29th to 5th ,July-15 | 27923.64 | 270.58 | 361.23 | 236.58 |
| 6th to 12 ,July-15 | 2877.6 | 283.53 | 356.82 | 235.44 |
| 13th to 19th July-15 | 1888.59 | 266.33 | 329.27 | 234.34 |
| 20th-26th July-15 | 2414.52 | 279.21 | 460.06 | 228.84 |
| Total | 140978.24 | 270.73 | | |

Source:*Provisional Data (As per IBIS)

Wheat Procurement Till 14th July, 2015:

| States | Total During 2014-15 | Target For 2015-16 | Procurement for the season as on 13th July, 2014 | Procurement for the season as on 14th July, 2015 | % Ch till date |
|-------------|----------------------|--------------------|--|--|----------------|
| Punjab | 116.41 | 125 | 107.74 | 103.44 | -3.99% |
| Haryana | 64.95 | 65 | 64.14 | 67.78 | 5.68% |
| UP | 6.28 | 30 | 6.28 | 22.67 | 260.99% |
| M.P. | 70.94 | 78 | 71.88 | 73.09 | 1.68% |
| Bihar | 0 | 0 | 0 | 0 | |
| Rajasthan | 21.59 | 20 | 21.54 | 13 | -39.65% |
| Uttarakhand | 0.01 | 1.2 | 0.01 | 0.04 | 300.00% |
| Chandigarh | 0.05 | 0 | 0.05 | 0.11 | 120.00% |
| Delhi | 0 | 0 | | 0.02 | |
| Gujarat | 0 | 1 | | 0.73 | |
| Jharkhand | 0 | 0 | | | |
| HP | 0 | 0 | | | |
| Maharashtra | 0 | 0.2 | | | |
| J&K | | 0 | | | |
| West Bengal | 0 | 0.2 | | | |
| Others | 0 | 0.4 | 0.02 | 0 | |
| TOTAL | 280.23 | 321 | 271.66 | 280.88 | 3.39% |

Wheat procurement is up by 3.39 percent till 14th July, 2015

Commodity: Wheat
Contract: Sept

Exchange: NCDEX
Expiry: Sept 20th, 2015

Wheat – Technical Outlook

Technical Commentary:

- Candlestick depicts firmness in the market.
- RSI moving up in neutral zone, denotes uptrend in the market.
- Prices closed above 9 and 18 days EMAs caution to the bears.
- The nearest by support is at 1508 while first resistant is at 1530.

Wheat prices are likely to trade up this week.



Strategy: Buy on dip

| | | | S ₂ | S ₁ | PCP | R ₁ | R ₂ |
|-------------------|-------|-----|----------------|----------------|----------------|----------------|----------------|
| Wheat | NCDEX | Sep | 1476 | 1492 | 1501 | 1530 | 1549 |
| Weekly Trade Call | | | Call | Entry | T ₁ | T ₂ | SL |
| Wheat | NCDEX | Sep | Buy above | 1495 | 1515 | 1525 | 1491 |

* Do not carry-forward the position next week.

Domestic Weekly Outlook:

Wheat market is expected to trade steady to slightly firm in the month of August due to seasonal factors like festive demand, lower arrivals and fear of poor quality of wheat stored in govt.'s godowns. However, any spike in cash market is unlikely as govt has ample stock to take care of extra demand in the weeks ahead.

International Market Updates:

IGC has revised global wheat production estimate down by 1 million tonne to 710 MMT for 2015-16. The main reason for downward revision is attributed to lower production in India (from 91 to 89 MMT now), Australia (from 27 to 25.5 MMT) and EU (from 150 to 148.5 MMT). However, it has revised Ukraine wheat production estimate up from 21 to 22 MMT. Global wheat trade has been estimated at 1 million tonne higher to 150 million tonne.

IGC has revised global wheat carry stock up by 5 million tonne from 196 to 201 MMT for 2015-16. Global consumption too has been revised 1 million tonne down to 712 million tonne. Overall supply condition remains comfortable this year.

In a latest development in global wheat market, Russian export price was seen softening this week after slight firmness last week. Harvesting in Russia gathered momentum now. However, concern over quality still remains due to recent rains. Black Sea forward prices for Russian new-crop wheat with 12.5 percent protein content were at \$197 per tonne on a free-on-board (FOB) basis at the end of last week. It was being quoted lower by \$1.5 per tonne. The decline in prices was caused by a seasonally high supply.

Russian farmers had harvested 18.7 million tonnes of all grains from 11 percent of the total area as of July 16, down from 22.2 million tonnes at the same date a year ago. Yields were at 3.73 tonnes per hectare, up from 3.53 tonnes. The country's grain stocks at farms and at procurement and processing companies, excluding small farms, were up 9 percent from a year earlier to 12.3 million tonnes as of July 1. Production is expected in between 56 to 59 MMT in 2015.

Grain exports from Russia could rise by the end of this month after the Customs Service introduced an easier-to-navigate system for tax payments on sales abroad, Russian customs officials and traders have been clashing over the level of wheat export tax, launched on July 1. Russia exported 434,000 tonnes of grain over the first 15 days of July, including 200,000 tonnes of wheat due to higher tax imposition. The tax issue in Russia's key exporting regions seemed to have been solved, and wheat exports were expected to speed up in the second half of July.

The wheat export tax is set at 50 percent of the customs price per tonne minus 5,500 roubles (\$97), but not less than 50 roubles per tonne. Black Sea prices for Russian wheat with 12.5 percent protein content were at \$199.5 per tonne on a free-on-board (FOB) basis at the end of last week.

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IGC Wheat Balance Sheet:

(Quantity in MMT)

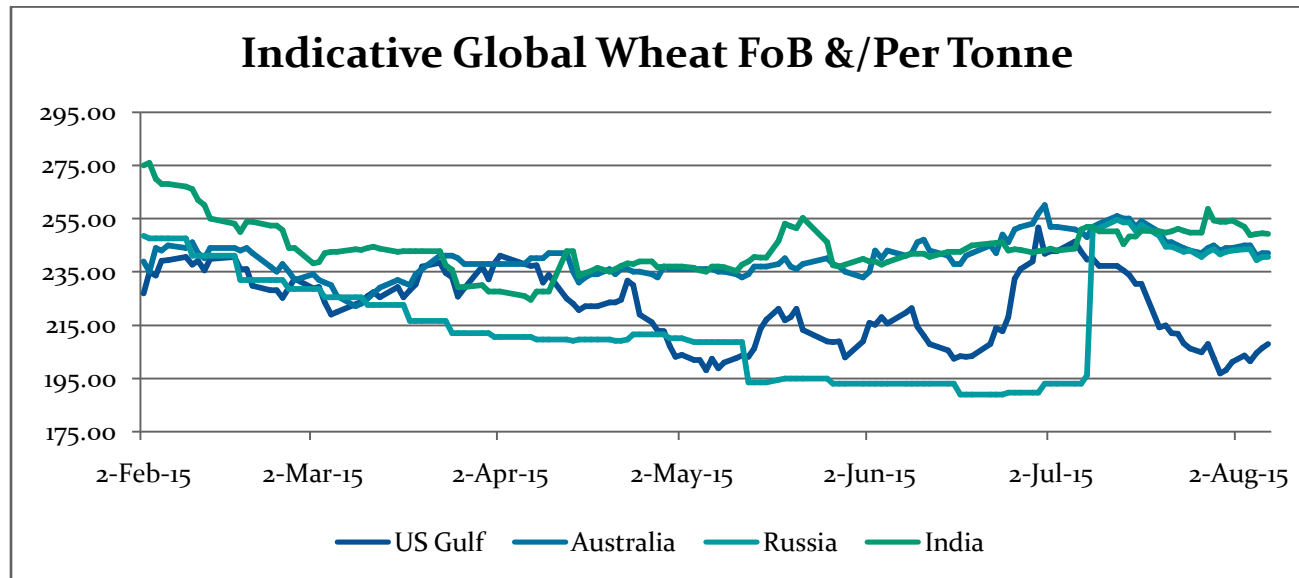
| IGC Forecast(Fig-In MMT) | 2012-13. | 2013-14 Est | 2014-15 F'cast | 2015-16 Projection | |
|---------------------------|----------|-------------|----------------|--------------------|------------|
| | | | | 25.06.2015 | 30.07.2015 |
| Production | 655 | 712 | 721 | 711 | 710 |
| Trade | 142 | 156 | 154 | 149 | 150 |
| Consumptions | 677 | 696 | 707 | 713 | 712 |
| Carryover stocks | 171 | 188 | 202 | 196 | 201 |
| Y-O-Y change | -21 | 17 | 14 | -2 | -1 |
| Major Export | 51 | 55 | 65 | 65 | 64 |

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 |
| | 9-Aug-15 | 2-Aug-15 | 9-Jul-15 | 9-May-15 | 9-Feb-15 | 9-Aug-14 | |
| 15-Sep | 187.56 | 183.42 | 215.02 | 176.63 | 198.76 | 231.37 | -18.94 |
| 15-Dec | 189.49 | 185.45 | 217.78 | 182.87 | 203.26 | 236.51 | -19.88 |
| 16-Mar | 192.15 | 187.56 | 220.53 | 189.03 | 206.02 | 240.00 | -19.94 |
| 16-May | 193.90 | 189.03 | 222.00 | 192.89 | 206.85 | 240.65 | -19.43 |
| 16-Jul | 195.36 | 189.95 | 220.44 | 195.09 | 207.12 | 238.08 | -17.94 |
| 16-Sep | 198.76 | 193.44 | 222.46 | 200.23 | 208.96 | 238.90 | -16.80 |

CBOT May-15FutureCharts:

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



International Weather update: (Source-USDA)

Australia- Scattered showers (2-10 mm, locally 25 mm) in Western Australia helped moisten top soils, but much more rain was needed to significantly benefit vegetative winter grains and oilseeds. In central portions of the wheat belt, rainfall since the beginning of the growing season (May 1) has been less than half of normal. Consistent, soaking rains are needed soon to ease short-term dryness and to help improve crop conditions, which are slowly but steadily declining. Farther east, scattered showers (5-10 mm, locally more) in South Australia and northern Victoria helped maintain generally good yield prospects for vegetative wheat, barley, and canola. Rainfall since the beginning of the growing season has averaged slightly below normal, but the rain has fallen at regular intervals, helping to keep crops reasonably well watered. Elsewhere in the wheat belt, widespread, soaking rains (generally 10-25 mm, locally more) fell across New South Wales and southern Queensland, favoring wheat, barley, and canola development. Temperatures averaged 1 to 3°C above normal in eastern Australia and near normal in southern and western Australia.

Argentina- Mostly dry weather favored seasonal fieldwork across the region. Little to no rain fell from La Pampa and Buenos Aires northward, as showers (rainfall totaling more than 10 mm) were generally confined to the northeast (eastern Formosa and Corrientes to Misiones). Conditions were generally milder relative to normal (weekly temperatures averaging 1°C below normal) in the northeast, as early-week warmth (daytime highs approaching 30°C in the far north) quickly gave way to cooler conditions (highs in the upper 10s and lower 20s). Freezing temperatures were recorded as far north as Santiago del Estero, with nighttime lows reaching -4°C or lower during the early part of the week.

Russia and Ukraine- Wet weather in central and northern portions of the region contrasted with increasingly hot, dry conditions in the south. A departing storm system produced widespread showers and thunderstorms (10-60 mm, locally more) from Belarus and northern Ukraine into central Russia, maintaining favorable conditions for filling small grains and reproductive summer crops. In north-

central Ukraine — the country's primary corn area — rainfall was highly variable, ranging from 0 to 30 mm. Furthermore, heat began to intensify over central and northern Ukraine by week's end, with highs reaching 35°C in the primary corn areas, while values reached into the upper 30s over west-central and southern portions of the country. Additional stressful heat would be untimely for corn as it progresses through the tassel and silk stages of development over the upcoming 7 to 14 days.

International Weekly Outlook:

IGC has revised production and consumption estimate down by one million tonne. Carryout stock has been revised up by 5 million tonne and its hints towards comfortable world supply side this year too. Overall, global wheat market is likely to trade steady to slightly weak due to higher supply in Russia and resolving of export tax issue there. Besides, lower export sales data in US and higher marketable surplus in Australia may put pressure on global wheat market. It may trade lower in the weeks ahead.

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