

Domestic Market Updates:

Cash wheat market trades range bound to slightly firm on seasonal factors like festive demand, slower release from govt.'s godowns and quality loss of new wheat. Besides, recently imposed import duty of 10 percent and short supply of premium grade wheat remain supportive to the cash market fundamental. Ordinary quality may rule steady as likely supply from central pool would restrict firm inner tone.

High-quality Australian wheat at south Indian ports is currently quoted at Rs 18000-18100 per tonne while French and Russian wheat at Rs 12,200 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. Import duty may restrict import volume in the months ahead.

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.

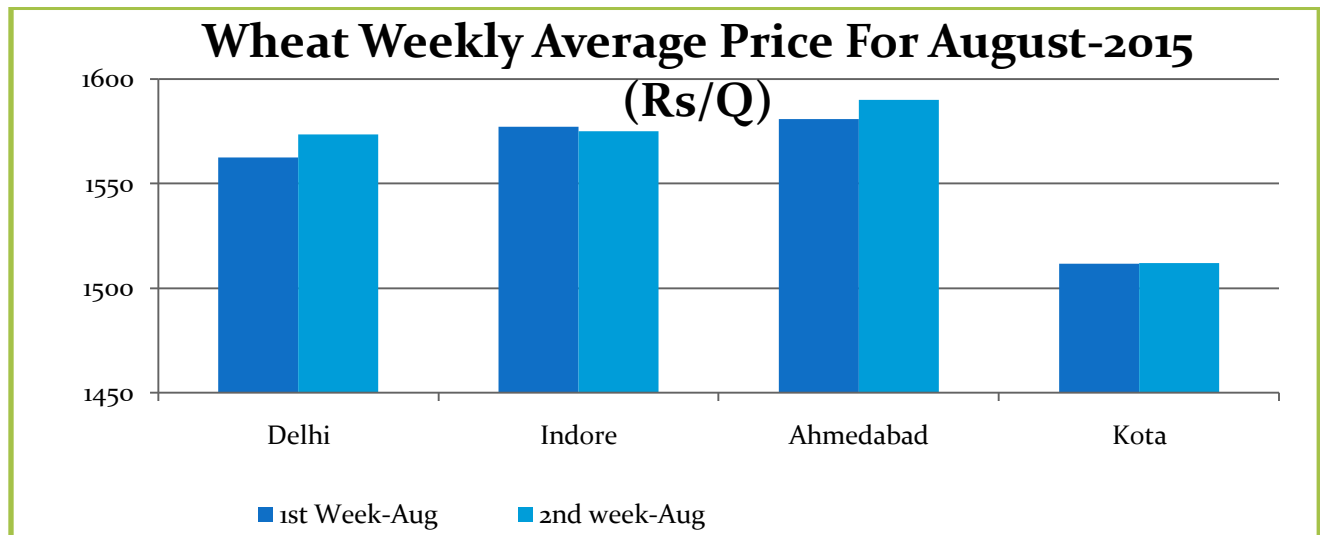
India has exported 2874.52 tonne wheat in the first week of August till 2nd August. at an ave FOB price of \$279.21 per tonne. During the same period wheat import was registered at 48551.21 tonne at an Ave CIF of \$269.07 per tonne. Wheat has been imported from Australia at Tuticorin and Cochin port.

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 (Third Week of August, 2015)

In the monsoon season, cumulative Rainfall for the country as a whole during the period 1st June to 12th August, 2015 was 9% lower than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was higher by 2% in North West India and lower by 12% in East & North East India, 9% in Central India and 20% in South peninsula.

Warning: Heavy to very heavy rainfall would occur at a few places over Sub Himalayan West Bengal & Sikkim; at isolated places over Bihar and Assam & Meghalaya. Heavy rainfall would occur at isolated places over Himachal Pradesh, Uttarakhand, East Uttar Pradesh, Arunachal Pradesh and Nagaland, Manipur, Mizoram & Tripura.



Wheat prices traded slightly up in major bench mark markets in the second week of August except Indore. 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 14.08.2015 from various destinations at Kandla:

Weekly Parity Sheet:

Parity Calculation	Rajkot (FOR)	Kota	Khagari a	Indor e	Kosi	MSP	ECO.Co st
Basic cost of wheat (Rs/ton)	15700	Closed	15500	Closed	NA	14500	20400
Port and Handling Charges	650	650	650	650	650	600	0

/Loading /Unloading /Clearing (Rs/ton)							
Local transport, port warehousing, labour charges, shortage	0	1850	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	16350	2500	18050	2100	2200	16300	20400
Indian FOB (USD/MT)	251.07	38.3₉	277.18	32.25	33.7₈	250.3₁	313.27
Insurance @ 0.1%	0.25	0.04	0.28	0.03	0.03	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	269	56	295	50	52	268	331
INR Value 65.12 (14.08.2015)	65.12	65.12	65.12	65.12	65.12	65.12	65.12
Russian Wheat FOB (USD/MT)	230	230	230	230	230	230	230
Parity on FOB Basis (USD/MT)	-21	192	-47	198	196	-20	-83

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			13-Aug-15	6-Aug-15	13-Jul-15	13-Aug-14
USA (Chicago)	2srw	-21.69	189.28	206.50	237.20	241.70
France	FCW3	-2.42	171.25	174.50	188.75	175.5
Australia	ASW	-5.93	238.00	242.00	256.00	253.00
Russia	SRW	-21.95	188.50	191.00	196.00	241.50
India	Fob	-	252.24	249.37	250.12	NA

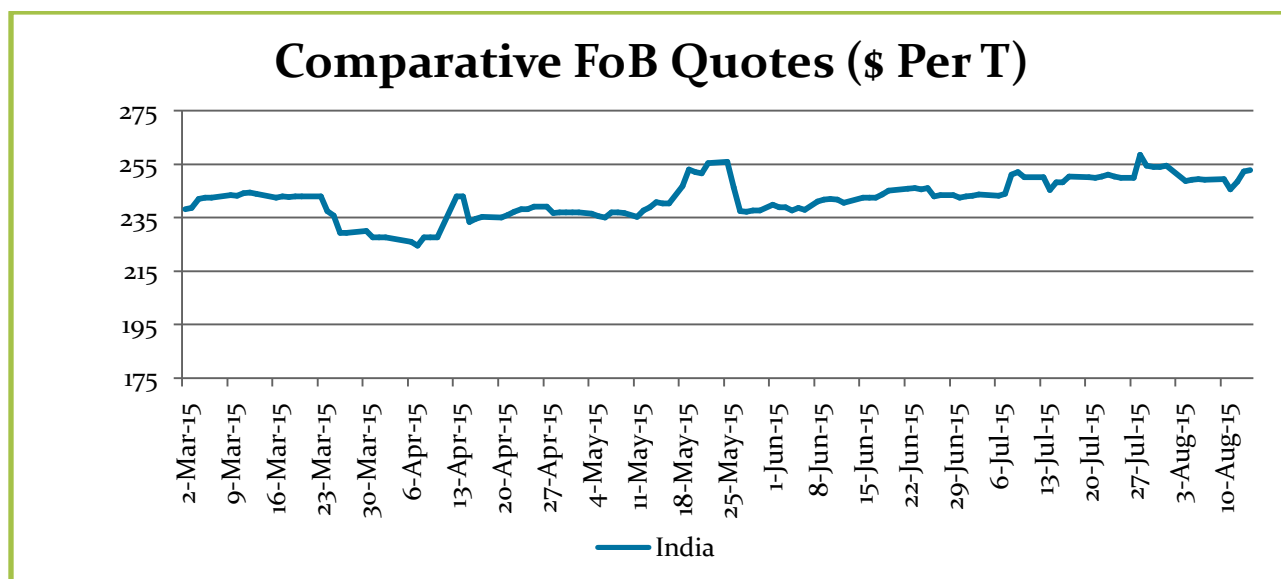
Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	14-Aug-15	7-Aug-15	14-Jul-15	14-Aug-14	
Indore	1538	1525	1534	1634	-5.88
Bareilly	-	-	-	1568	-
Delhi	1578	1566	1559	1585	-0.44
Khanna	-	-	-	-	-
Kanpur	1480	1465	1455	1555	-4.82
Karnal	-	-	-	-	-
Rajkot	1500	1495	1522	1588	-5.54
Kota	1555	1566	1545	1628	-4.48

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

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India FOB, Kandla (USD/T):



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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 ti 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

Wheat Futures Contact: NCDEX Price Date:13.08.2015								
Contract Month	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Aug	1495.00	1515.00	1487.00	1491.00	530	440	1550	-420
15-Sep	1520.00	1520.00	1507.00	1510.00	3050	1560	16000	280
15-Oct	-	-	-	-	-	-190	140	10

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 1495 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	1495	1512	1530	1549
Weekly Trade Call			Call	Entry	T ₁	T ₂	SL
Wheat	NCDEX	Sep	Buy above	1501	1521	1530	1494

* 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:

CBOT wheat decreased considerably on the strong U.S. dollar, a situation that would adversely affect the export demand for wheat. December wheat delivery lost 1.42 percent and closed at 5.045 dollars per bushel. Analysts opined that the appreciating dollar put pressure on US wheat as it turned out to be more expensive to buyers holding other currencies, coupled with falling Black Sea wheat prices and rising Russian wheat crop estimates.

European wheat futures hit a two-month low on Monday, pressured by a drop in U.S. prices and a glut of supply from big harvests in France and across Europe this summer. The largest estimate for France's wheat harvest at 40.4 million tonnes estimated by FranceAgriMer is weighing on the market a little, even if some people are sceptical about the number. Before this France had produced 38.2 million tonne wheat in 1998.

Russian export price for wheat decreased taking clue from declining global market. Depreciating rouble has helped exporters to receive better profit margin. Notably, wheat export from Russia has been delayed this year due to late harvesting and a new wheat export tax affective from 1st July, 2015. The rouble has been hit by lower oil prices and Western sanctions over Moscow's role in the Ukraine crisis. Russia's 2015/16 wheat exportable surplus is at 22 million tonnes. Black Sea forward prices for Russian wheat with 12.5 percent protein content were at \$185 per tonne on a free-on-board (FOB) basis at the end of last week, down \$3 from a week earlier.

Russia has harvested 55.5 million tonnes of wheat from 40 percent of the planted area with an average yield of 2.97 tonnes per hectare. Domestic prices for third-class wheat were up 75 roubles compared with a week earlier at 9,425 roubles (\$144) per tonne in the European part of Russia on an ex-works basis.

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.

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)

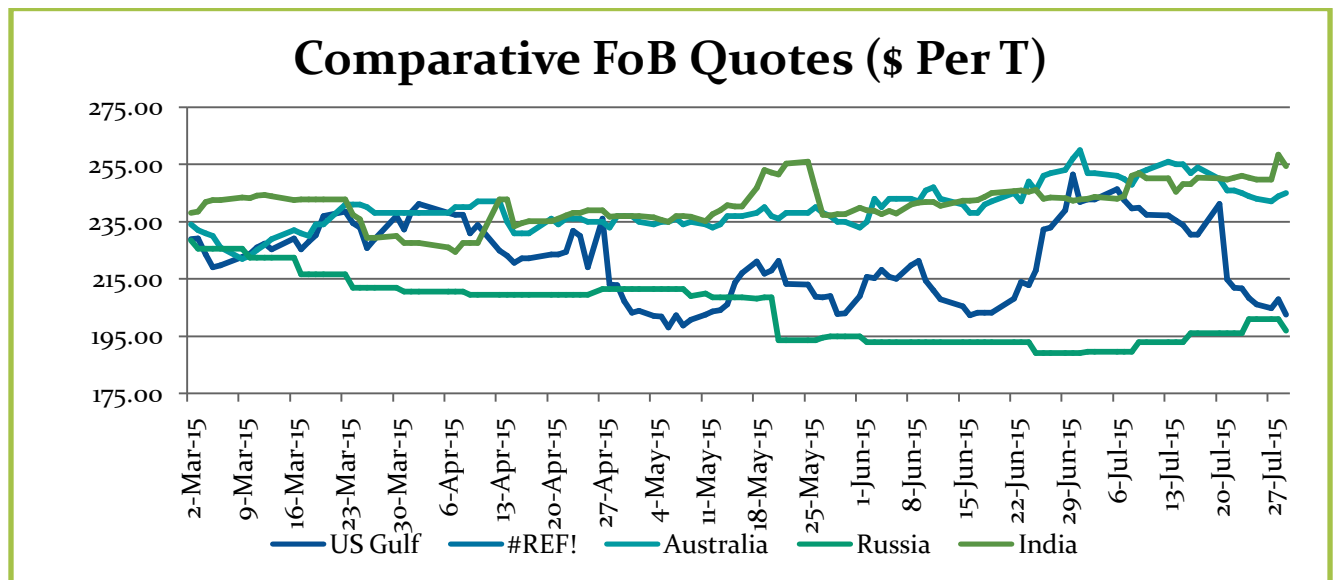
IGC Forecast(Fig-In MMT)	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
				25.06.2015	30.07.2015
Production	655	712	721	711	710
Trade	142	156	154	149	150
Consumptions	677	696	707	713	712
Carryover stocks	171	188	202	196	201
Y-O-Y change	-21	17	14	-2	-1
Major Export	51	55	65	65	64

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
	13-Aug-15	6-Aug-15	13-Jul-15	13-May-15	13-Feb-15	13-Aug-14	
15-Sep	184.89	186.27	211.53	179.29	198.30	220.90	-16.30
15-Dec	187.01	187.83	213.83	185.35	198.30	220.90	-15.34
16-Mar	189.12	190.50	215.94	191.42	205.74	230.36	-17.90
16-May	190.77	192.06	216.40	195.27	207.03	231.00	-17.42
16-Jul	191.97	193.34	215.76	197.48	207.03	229.90	-16.50
16-Sep	195.27	196.83	217.68	202.44	209.51	230.73	-15.37

CBOT May-15 Future Charts:

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



International Weather update: (Source-USDA)

Australia- In the wake of last week's soaking rains, scattered showers (5- 15 mm, locally more) fell across Western Australia, further improving crop conditions following more than 2 months of relatively dry weather. Although the recent rainfall has been beneficial for winter grains and oilseeds, the rain must continue to maintain yield prospects as crops approach the critical reproductive phases of development. Farther east, widely scattered showers (2-10 mm, locally more) fell across South Australia, northern Victoria, and southern New South Wales. Although most farms didn't receive significant amounts of rain, soil moisture was generally adequate to spur development of vegetative wheat, barley, and canola. Elsewhere in the wheat belt, the second consecutive week of dry weather in northern New South Wales and southern Queensland increased net evaporative losses, but topsoil moisture remained adequate for jointing winter wheat and other winter crops.

Argentina- Locally heavy rain further improved moisture reserves for winter grains in Buenos Aires, but drier conditions prevailed in western production areas. For a second week, rainfall totaled more than 50 mm in northern and eastern sections of the state, with more moderate amounts (10-50 mm) recorded in key southern production areas (the delegations of Tandil and Tres Arroyos). However, amounts declined to below 5 mm to the west, where topsoil moisture was likely limited for establishment of wheat and barley; above-normal temperatures (1-4°C above normal, with freezes confined to traditionally cooler southern farming areas) exacerbated the impacts of the dryness on field moisture. Similar conditions were recorded across the north, with showers (greater than 10 mm) in eastern production areas and weekly temperatures averaging well above normal (4-8°C above normal, with daytime highs exceeding 30°C).

Russia and Ukraine- Cool, unsettled weather in spring wheat areas sustained good to excellent crop prospects, while heat returned to southern cotton areas. A departing storm system and its attendant cold front produced additional widespread showers (2-20 mm) from Russia's Urals District into the Siberia District and southward into northern Kazakhstan. The moisture coupled with

temperatures up to 3°C below normal maintained good to excellent growing conditions for flowering to filling spring wheat. Farther south, the resumption of above-normal temperatures accelerated cotton toward maturity 1 to 2 weeks faster than normal. Cotton development was accelerated by an excessively hot July, with some yield losses likely due to untimely extreme heat.

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, higher production in France (40.4 MMT) and strong US dollar limiting export opportunity from US would continue to weigh on global wheat market fundamental. Supply side would be easy in the months ahead.

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