

Domestic Market Updates:

Wheat cash market may trade steady to slightly firm on seasonal factors like higher demand for wheat products, millers fresh buying interests and lower arrivals in markets supported by short supply of FAQ and premium varieties. As of now south Indian millers are buying wheat from local market, mainly from Rajasthan and Madhya Pradesh at Rs1790/1795 per qtl. As prices for FAQ varieties have firm up, they may turn to central pool stock now. Any spike at this level is unlikely.

Rakes loading for South Indian markets is being reported from Kota region of Rajasthan at Rs 1760/1770 per qtl. South Indian millers (Karnataka) have struck more deals at Rs 1790/1800 per tonne for Sept. delivery. Wheat import from Australia continues. Despite 10 percent import duty parity remains in favor of Mills located in Kerala and import is likely to continue in the months ahead.

Wheat stock in central pool was registered at 359.76 lakh tonne on 16th 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 corresponding 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 Fourth Adv. Estimates of Production of foodgrains for 2014-15 on 17.08. 2015. It has revised wheat production estimate down by 1.78 MMT to 88.94 MMT. In Third Adv Est. production was estimated at 90.78 MMT. More decrease in fourth Adv .Est is mainly attributed to weather affected crop in March and April. India has produced 95.85 million tonne wheat in 2013-14.

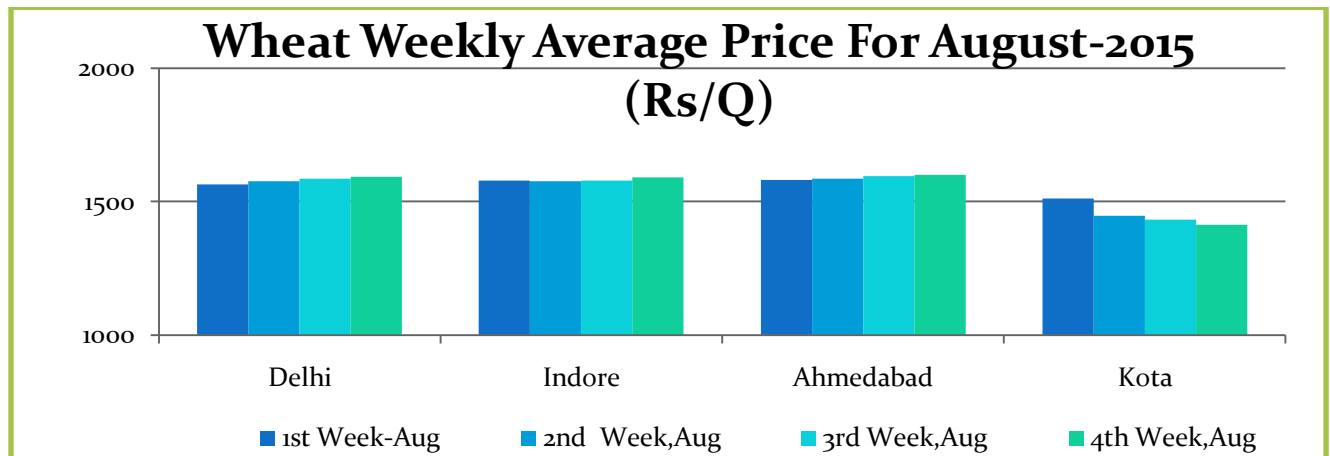
India has exported 2876.47 tonne wheat in the third week of August till 23th August. at an ave FOB price of \$270.93 per tonne. During the same period wheat import was registered at 56300 tonne at an Ave CIF of \$234.48 per tonne. Wheat has been imported from Australia and France at Tuticorin and Kochin . First time Wheat from France landed at Tuticorin port at an Ave CIF at \$215.51.

High-quality Australian wheat at south Indian ports is currently quoted at Rs 18,000-18100 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.

Weather Out Look For(1st Week of Sep.2015)

In the monsoon season, cumulative Rainfall for the country as a whole during the period 1st June to 18th 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 & NorthEast India, 9% in Central India and 20% in South peninsula.

Warning: Heavy to very heavy rainfall would occur at a few places over SubHimalayan 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 fourth week of August except Kota. 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. Millers from Kerala are not buying wheat from Rajasthan due to disparity and quality issue.

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	8.90	0	8.90
NORTH EAST ZONE	1.42	0	1.42
NORTH ZONE	153.35	96.45	249.80
SOUTH ZONE	4.00	0	4.00
WEST ZONE	13.93	77.94	91.87
TOTAL	184.69	175.07	359.76

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: (As on 28 August, 2015)

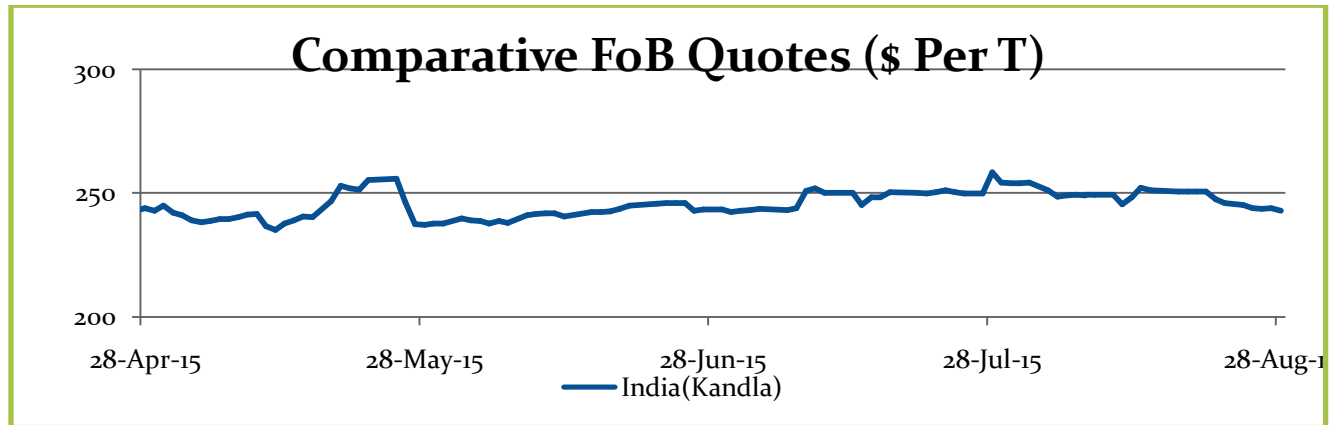
Parity Calculation	Rajkot (FOR)	Kota	Khagar ia	Indor e	Kosi	MSP	ECO.Co st
Basic cost of wheat (Rs/ton)	15400	15000	16250	15900	0	14500	20400
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	650	650	650	650	650	600	0
Local transport, port warehousing, labour charges, shortage	0	1850	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	16050	17500	18800	18000	2200	16300	20400
Indian FOB (USD/MT)	242.89	264.83	284.50	272.40	33.29	246.67	308.72
Insurance @ 0.1%	0.24	0.26	0.28	0.27	0.03	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	261	283	303	290	51	265	327

INR Value 66.08 (28.08.2015)	66.08	66.08	66.08	66.08	66.08	66.08	66.08
Russian Wheat FOB (USD/MT)	230	230	230	230	230	230	230
Parity on FOB Basis (USD/MT)	-13	-35	-55	-42	197	-17	-79

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

Wheat FOB quotes have decreased in last one week as export demand is being seen at negligible level. France, Australia and Russia is offering wheat at very attractive price and Indian exporters are unable to match the offer quality and price wise.

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	28396.74	280.08	297.97	265.92
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
15th to 21, 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
3rd to 9th Aug-15	47652.23	266.22	302.96	253.2
10th to 16th Aug-15	252.54	289.98	289.98	
17th to 23rd Aug-15	56300	234.48	275.76	215.51
Total	414746.91	280.08	300.26	265.92

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
18-24 May 2015	2581.86	278.52	339.65	224.96
25.-30 May 2015	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
27th to 2nd Aug-15	371.8	266.24	301	239.56
3rd to 9th Aug-15	1027.96	284.63	339.94	284.63
10th to 16th Aug-15	3628.29	263.8	348.2	263.8
17th to 23 Aug-15	2876.47	270.93	281.05	262.02
Total	146006.29	270.9	345.89	239.67

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:28.08.2015								
Contract Month	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Sep	1506	1509	1505	1506	410	-290	16160	1350
15-Oct	1534	1534	1527	1532	300	210	540	260
15-Nov	-	-	-	-	-	-	-	-

Commodity: Wheat
Contract: Sept

Exchange: NCDEX
Expiry: Sept 20th, 2015

Wheat – Technical Outlook

Technical Commentary:

- Candlestick depicts weakness 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	1492	1506	1508	1531	1549
Weekly Trade Call			Call	Entry	T ₁	T ₂	SL
Wheat	NCDEX	Sep	Buy above	1508	1521	1530	1507

* Do not carry-forward the position next week.

Domestic Weekly Outlook:

Wheat market is expected to trade steady to slightly firm in the first week of Sept 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.

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today 28-Aug-15	Week Ago 20-Aug-15	Month Ago 27-Jul-15	Year Ago 27-Aug-14
USA (Chicago)	2srw	-26.52	182.81	191.02	204.81	248.80
France	FCW3	-7.51	160.00	162.25	176.50	173.00
Australia	ASW	-17.98	219.00	229.00	242.00	267.00
Russia	SRW	-24.90	182.50	186.00	197.00	243.00
India	Fob	-	242.29	250.65	249.8	NA

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	Today 28-Aug-15	Week Ago 21-Aug-15	Month Ago 28-Jul-15	Year Ago 28-Aug-14	Change over previous Year %
Indore	1546	1547	1556	1603	-3.56
Bareilly	-	-	-	1580	-
Delhi	1599	1589	1560	1568	1.98
Khanna	-	-	-	-	-
Kanpur	1498	1475	1465	1540	-2.73
Karnal	-	-	-	-	-
Rajkot	1530	1523	1515	1578	-3.04
Kota	1549	1555	1558	1583	-2.15

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

International Market Updates:

Recent rains in Australia are considered favorable for standing wheat crop passing through important growth stage. Experts say that Australia may reap 10 percent higher crop than previous expectation. They projects 26 million tonne wheat crop under current condition. Before this projection Australian Bureau of Agricultural and Resource Economics and Sciences had estimated 23.6 million tonne wheat crop based on previous dry condition. This will put more pressure on Global wheat price.

Australian wheat yields are determined during September, with harvesting normally done over November to December. Last year, the country produced 23.7 million tonnes. Farmer's forward selling across all grains remains lower than normal at this point of the season, mainly linked to those lingering concerns about possible hard El Nino finish.

With bumper production and locally lower price Russia intends to increase wheat supplies to Egypt, the second biggest buyer of Russian wheat. According to official in Russia the country sold 4 million tonnes of grains to Egypt last year, covering 40 percent of Egypt's needs. Turkey too buys wheat in bulk quantity from Russia.

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 \$183 per tonne on a free-on-board (FOB) basis at the end of last week, down \$3 from a week earlier. A Dubai based company has brought 30,000 T Russian wheat for Sept delivery at \$183 Per T FOB basis Kavkaz. Turkey and Egypt are other bulk buyers for Russian wheat currently.

IGC has revised global wheat production estimate up by 1 million tonne to 720 MMT for 2015-16. The main reason for upward revision is attributed to higher production prospects in Australia, Russia, Ukraine and EU. It has revised Ukraine wheat production estimate up from 21 to 22 MMT. Global wheat trade has been estimated at 2 million tonne down to 148 million tonne.

IGC has revised global wheat carry stock up by 5 million tonne from 201 to 206 MMT for 2015-16. Global consumption too has been revised 4 million tonne down to 716 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 rubles (\$97), but not less than 50 rubles 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.

IGC Wheat Balance Sheet:

(Quantity in MMT)

IGC Wheat Balance Sheet
(Quantity in MMT)

(Quantity in MMT)

IGC Forecast(Fig- In MMT)	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
				30.07.2015	27.08.2015
Production	655	714	720	710	720
Trade	142	156	153	150	148
Consumptions	677	696	707	712	716
Carryover stocks	171	188	202	201	206
Y-O-Y change	-21	18	14		4

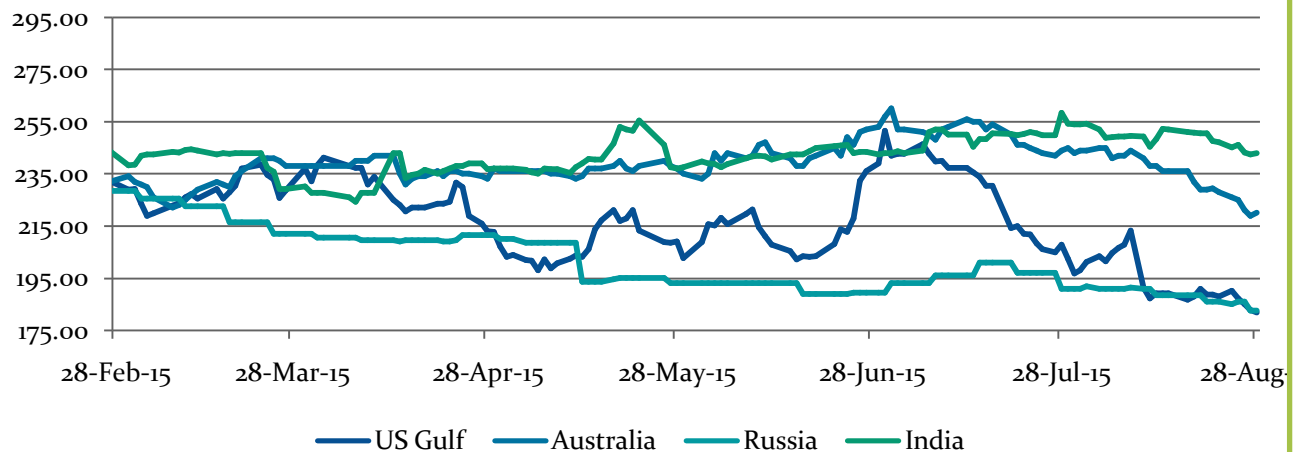
Major Export	51	55	65	64	68
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CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	27-Aug-15	20-Aug-15	27-Jul-15	27-May-15	27-Feb-15	27-Aug-14	
15-Sep	177.91	186.00	184.62	181.04	192.89	223.65	-20.45
15-Dec	179.93	187.83	188.02	186.18	197.84	228.43	-21.23
16-Mar	182.87	189.39	190.77	191.78	201.61	231.92	-21.15
16-May	184.80	190.22	192.33	195.27	203.72	231.65	-20.22
16-Jul	186.18	190.96	193.07	197.11	203.72	230.73	-19.31
16-Sep	189.49	194.17	195.82	200.05	206.02	233.30	-18.78

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

Indicative Global Wheat FoB &/Per Tonne



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 did not 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 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 consequent 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 estimate up by one million tonne to 720 MMT. Carryout stock has been revised up by 5 million tonne to 206 MMT . It 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, Ukraine 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 is expected to remain at comfortable level in the months ahead.

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