

Domestic Market Updates:

Cash wheat market trades range bound to slightly firm as expected and is likely to trade steady to firm in the near term. Rake loading from Kota region to Tamil Nadu is being reported at Rs 1765/70 per qtl. Wheat prices in Rajasthan have slightly improved this week and are likely trade up with expected demand from millers and south Indian States. Imposition of 10 percent import duty did not adversely affect imports by the South Indian millers.

India has exported 853.95 tonne wheat in the fourth week of August till 30th August at an ave FOB price of \$266.96 per tonne. During the same period wheat import was registered at 998.29 tonne at an Ave CIF of \$302.97 per tonne from Australia. More wheat import is expected in the Second week of Sept.

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.

Wheat stock in central pool was registered at 359.76 lakh tonne as on 16.08.2015. Stock in transit was reported at around 3.09 lakh tonne while wheat lying in mandis was registered at 0.68 lakh tonne. As on first October India requires 175.20 lakh tonne as buffer stock with 30 lakh tonne as reserve stock. In August 2014 central pool stock was registered at 381.08 lakh tonne which is 5.59 percent lower than stock in August 2014.

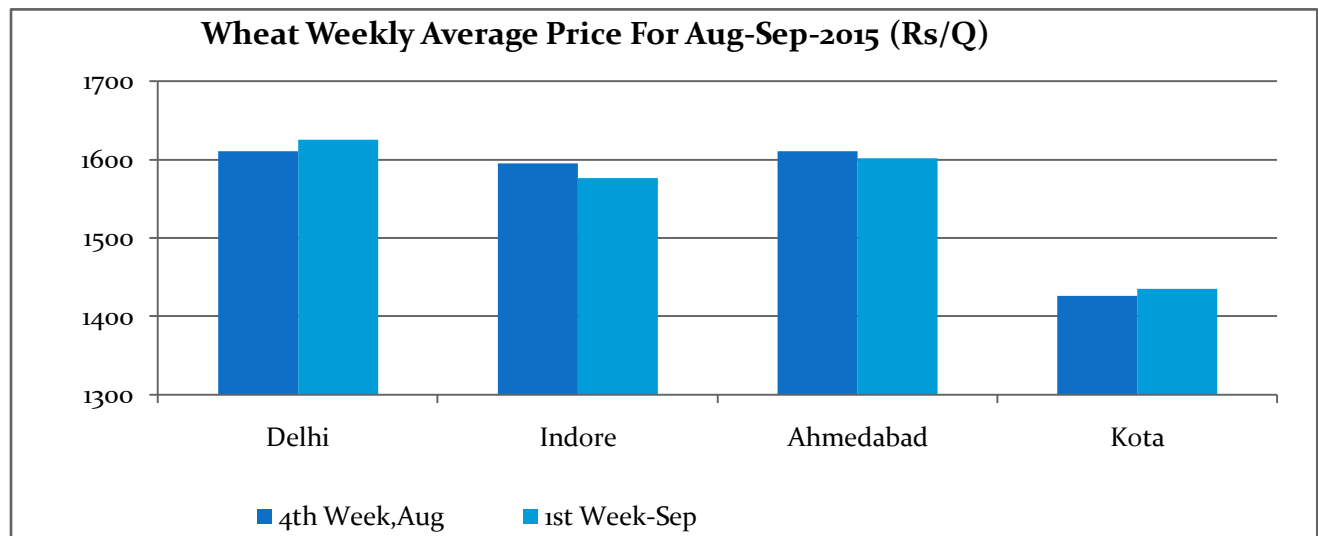
Rakes loading for South Indian markets, is being reported from Kota region of Rajasthan at Rs 1760/1770 per qtl. South Indian millers (Karnataka) have struck more deals at Rs 1790/1805 per tonne for Sept. delivery. Wheat import from Australia and France continues. Import duty on wheat would not restrict import as France is selling wheat at \$215.51 per tonne on CiF basis Tuticorin.

Traders expect below 88 million tonne wheat crop this year as against govt.'s estimate of around 88.94 million tonne. Agriwatch estimates 87.71 million tonne wheat production this year.

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

In the monsoon season, weekly Rainfall for the country as a whole during the week 20th August to 26th August, 2015 was 37% 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 29% in East & North East India and lower by 72% in Central India, 63% in North West India and 11% in South Peninsula.

Warning: Heavy rainfall would occur at isolated places over Nagaland, Manipur, Mizoram & Tripura, Coastal Andhra Pradesh, Coastal Karnataka, Kerala and Andaman & Nicobar Islands. The trough from western parts of Assam & Meghalaya to west central Bay of Bengal across Bangladesh & northwest Bay of Bengal extending upto 3.1 km above mean sea level persists.



Wheat prices traded slightly down in major bench mark markets in the first week of September except Kota where average price increased from Rs 1426 to RS 1435 per qtl. Prices of lustre loss wheat have decreased last week. It may trade range bound as supply side is ample. Export demand too would remain suppressed due to disparity for exporters at current price. However, premium grade wheat would continue to trade up.

Wheat Stock: As on 16th August, 2015:

STOCKS OF WHEAT IN CENTRAL POOL AS ON 16.08.2015:	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 04.09.2015 from various destinations at Kandla:

Weekly Parity Sheet: (As on 04 September, 2015)

Parity Calculation	Rajkot (FOR)	Kota	Khagari a	Indor e	Kosi	MSP	ECO.Co st
Basic cost of wheat (Rs/ton)	15400	15200	16500	15800	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	650	1850	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	16550	17700	19050	17900	2200	16300	20400
Indian FOB (USD/MT)	245.55	266.57	286.90	269.58	33.13	245.48	307.23
Insurance @ 0.1%	0.01	0.27	0.29	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)	28	285	305	288	51	263	325

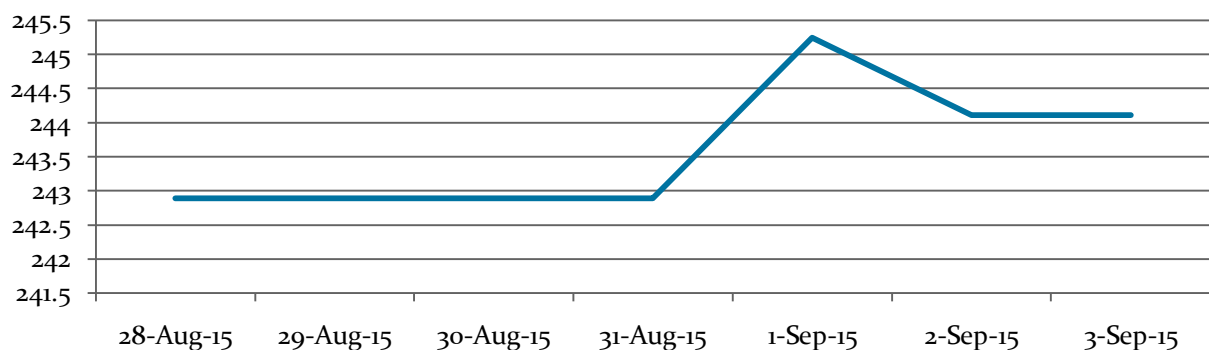
INR Value 66.40 (04.09.2015)	66.40	66.4	66.4	66.4	66.4	66.4	66.4
Russian Wheat FOB (USD/MT)	230	230	230	230	230	230	230
Parity on FOB Basis (USD/MT)	220	-37	-57	-40	197	-15	-77

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):

Indian Wheat FoB Quote At Kandla(\$/Per 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		
17th to 23rd Aug-15	56300	234.48	275.76	215.51
24th to 30 Aug-15	998.29	302.97		
Total	415745.2	281.234	298.33	263.57

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
27th to2nd 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
24th to 30 Aug-15	853.95	266.96	304.95	239.57
Total	149736.71	270.67	343.49	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:04.09.2015								
Contract Month	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Sep	1525	1526	1519	1524	1540	1360	12780	-480
15-Oct	1554	1554	1546	1553	1360	1190	3080	1940
15-Nov	-	-	-	-	-	-	-	-

Commodity: Wheat
Contract: Sept

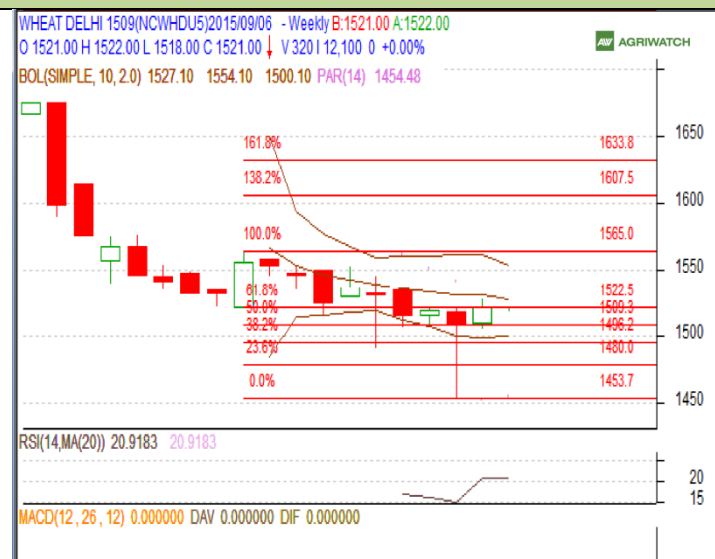
Exchange: NCDEX
Expiry: Sept 20th, 2015

Wheat – Technical Outlook

Technical Commentary:

- Candlestick depicts weakness in the market.
- RSI moving down in neutral zone, denotes weakness in the market.
- Prices closed above 9 and 18 days EMAs caution to the bears.
- The nearest by support is at 1488 while first resistant is at 1531.

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	1488	1508	1521	1531	1545
Weekly Trade Call			Call	Entry	T ₁	T ₂	SL
Wheat	NCDEX	Sep	Buy above	1510	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 second 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. There is no support from export demand.

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today 3-Sep-15	Week Ago 27-Aug-15	Month Ago 3-Aug-15	Year Ago 3-Sep-14
USA (Chicago)	2srw	-18.11	200.30	182.81	203.50	244.60
France	FCW3	-12.23	150.75	160.00	169.50	171.75
Australia	ASW	-22.01	209.00	219.00	NA	268.00
Russia	SRW	-24.74	182.50	182.50	191.00	242.50
India	Fob	-	244.11	NA	254.34	NA

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	Today 4-Sep-15	Week Ago 28-Aug-15	Month Ago 4-Aug-15	Year Ago 4-Sep-14	Change over previous Year %
Indore	1545	1546	1513	1575	-1.90
Bareilly	-	-	-	1580	-
Delhi	1628	1599	1568	1589	2.45
Khanna	-	-	-	-	-
Kanpur	1518	1498	1463	1545	-1.75
Karnal	-	-	-	-	-
Rajkot	1535	1530	1506	1551	-1.03
Kota	1563	1549	1551	1577	-0.89

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

International Market Updates:

Australian wheat was offered lowest at \$231.70 a tonne c&f free out in a tender by Iraq's state grains board seeking at least 50,000 tonnes of hard wheat. The Australian offer was made for 50,000 tonnes. Russian wheat was offered lowest at \$234.00 a tonne c&f free out. U.S. wheat was offered lowest at \$265.00 and Canadian was lowest at \$247.20 a tonne, both c&f free out.

IGC has revised wheat production estimate by 10 million tonne to 720 MMT on the basis of improved production prospects in Russian Ukraine, Australia and EU. It might be a final production estimate for the year. Previously IGC had decreased production estimate from 715 to 710 MMT.

Wheat production in Canada is likely dip below trades estimate. As per the latest update from NSC (National Statistic Canada) wheat production in Canada is expected to touch 24.63 MMT. B, desh state agency may import 9.5 lakh tonne wheat this fiscal year, ending June, 2016. It would be higher by 3 lakh tonne from last year. Wheat having protein content of 12.5 percent would be considered for procurement.

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.

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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.

IGC Wheat Balance Sheet:

(Quantity in MMT)

IGC Wheat Balance Sheet
(Quantity in MMT)

(Quantity in MMT)

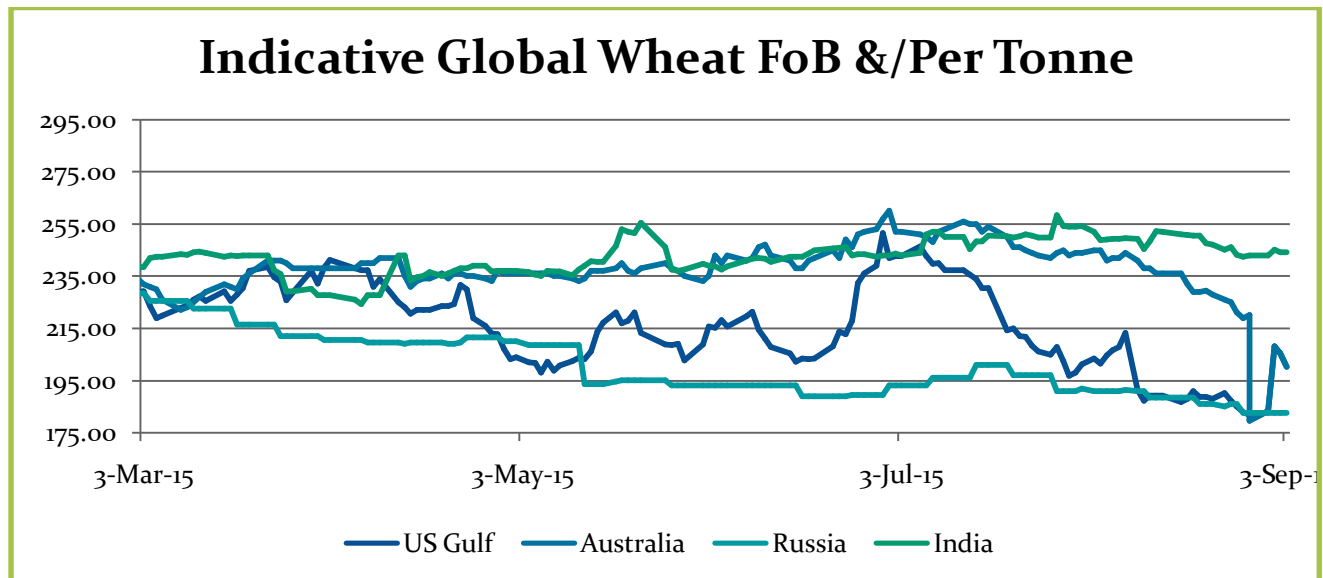
IGC Forecast(Fig-In MMT)	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
				30.07.2015	27.08.2015
Production	655	714	720	710	720
Trade	142	156	153	150	148
Consumptions	677	696	707	712	716
Carryover stocks	171	188	202	201	206
Y-O-Y change	-21	18	14		4
Major Export	51	55	65	64	68

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
	3-Sep-15	27-Aug-15	3-Aug-15	3-Jun-15	3-Mar-15	3-Sep-14	
15-Sep	167.72	177.91	183.33	189.21	190.41	216.21	-22.43
15-Dec	170.93	179.93	185.54	194.17	195.64	222.09	-23.04
16-Mar	174.06	182.87	188.11	199.22	199.59	225.86	-22.94
16-May	176.17	184.80	189.67	202.62	201.79	225.58	-21.91
16-Jul	177.91	186.18	190.59	204.37	201.06	223.65	-20.45
16-Sep	181.22	189.49	193.80	206.94	203.36	226.23	-19.89

CBOT May-15 Future Charts:

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



International Weather update: (Source-USDA)

Australia- In Western Australia, South Australia, and northern Victoria, scattered, generally light showers (1-5 mm, locally near 10 mm) fell across the wheat belt. The showers helped maintain adequate moisture supplies for reproductive winter grains and oilseeds in Western Australia and vegetative to reproductive winter crops in South Australia. However, more rain was needed for wheat, barley, and canola in northern Victoria, where drier-than-normal weather since mid-June has led to a slow but steady decline in topsoil moisture. Elsewhere in the wheat belt, soaking rains (10-30 mm, locally near 50 mm) overspread New South Wales and southern Queensland, maintaining good to excellent yield prospects for winter crops. Wheat was in the jointing stages of development in southern New South Wales and in or near the reproductive stages of development in northern New South Wales and southern Queensland.

Argentina- Warm, mostly dry weather spurred rapid development of wheat and barley. Weekly average temperatures were 2 to 4°C above normal throughout the main production areas of central and northern Argentina, with daytime highs ranging from the lower and middle 20s (degrees C) in Buenos Aires to the middle and upper 30s in the northwest (northern Cordoba to Salta). In addition, temperatures stayed above freezing, though nighttime lows fell below 5°C on several days during the early and middle part of the week.. According to Argentina's Ministry of Agriculture, corn was 97 percent harvested as of August 27, similar to last year. Wheat planting was virtually complete at 99 percent.

Russia and Ukraine- Cool, unsettled conditions sustained favorable wheat prospects in the north but slowed cotton maturation in the south. A strong cold front brought unseasonably chilly air (up to 6°C below normal) from Russia and Kazakhstan southward into Uzbekistan and Turkmenistan. In the north, the cool weather was accompanied by 5 to 30 mm of rain, maintaining adequate to abundant soil moisture for filling spring wheat. However, the showers slowed early wheat maturation and harvesting, and producers will need drier weather over the upcoming weeks to avoid quality concerns as the crop matures. In the south, unusual showers (2-10 mm, locally more in Kyrgyzstan) slowed cotton maturation and drydown but provided early supplemental moisture for winter wheat planting in Uzbekistan.

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. Higher production prospects (26 million tonne) in Australia would weigh on market. Overall, global wheat market is likely to trade steady to slightly weak due to higher supply from Russia, Australia and resolving of export tax issue in Russia. Besides, higher production in France (40.4 MMT) and strong US dollar limiting export opportunity from US would continue to pressurize global wheat market fundamental. Supply side would be easy in the months ahead.

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