

Domestic Market Updates:

Wheat futures recovered once again as expected and taking clue from futures cash market too traded firm despite normal demand side. Rake loading from Kota region to Tamil Nadu and other South Indian states is being reported at Rs 1770/75 per qtl. However, demand from South India is 10 to 15 percent lower than Sept. last year. FAQ/Premium varieties would continue to trade firm-opine trades. Seasonal factors too hint toward steady to firm market.

India has exported 14818.57 tonne wheat in the week ending 6th Sep-2015 at an ave FoB price of \$280.71 per tonne. During the same period wheat import was registered at only 24.93 tonne at an Ave CIF of \$334.33 per tonne from Australia. More wheat import is expected in the third 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 344.74 lakh tonne as on 01.09.2015. Stock in transit was reported at around 3.46 lakh tonne while wheat lying in mandis was registered at 0.45 lakh tonne. As on first October India requires 175.20 lakh tonne as buffer stock with 30 lakh tonne as reserve stock. In Sept. 2014 central pool stock was registered at 351.72 lakh tonne which is 1.98 percent lower than available stock in Sept., 2014.

Global wheat market is bound to trade lower due to ample marketable surplus in Black Sea Region, France and US. France and Russia are offering wheat at \$156.75 and \$180.50 per tonne on FoB basis. US and Australian offer wheat at \$202.20 and \$203 per tonne respectively. Wide gap in FoB quotes would attract buyers towards France and Russia in the weeks ahead. Overall sentiment remains bearish for global wheat market.

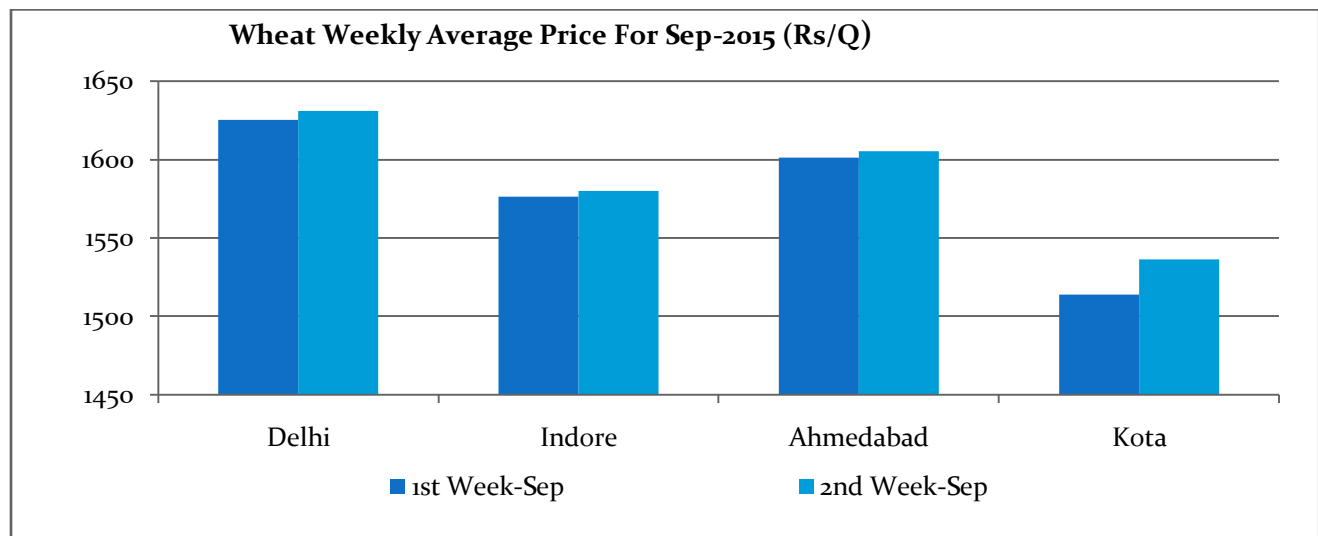
Export demand for Indian wheat is negligible at this point of time due to higher domestic price and quality issue. There is no hope for Indian exporters in the third and fourth quarters too. Indian FoB quote hovers around \$250 per tonne. It is almost \$50/55 per tonne higher than what major exporting countries offer.

Weather Out Look For(3rd Week of Sep.2015) :

Overall monsoon rainfall deficit continues to be 14% below LPA. The quantum of average monsoon rainfall across the country during June 1-September 8 has been 658 mm, 14% less than the LPA of 768 mm. Emerging scenario is not favorable for standing crops of kharif. It is also not good for rabi sowing too. As per the latest update from IMD the southwest monsoon has been vigorous over Karnataka and active over Marathwada, Vidarbha, Telangana and Kerala now. However, it has withdrawn from parts of Punjab, Haryana & Rajasthan.

Warning:

Heavy to very heavy rainfall would occur at isolated places over Coastal Andhra Pradesh and heavy rainfall at isolated places over Nagaland, Manipur, Mizoram & Tripura, Odisha and Telangana.



Wheat prices traded slightly up in major bench mark markets in the second week of September. It is average price for mill delivered wheat. Prices for wheat in cash markets increased last week in the range of Rs 15 to Rs 30 per qtl. Fresh demand from millers may further push wheat price up. South Indian millers continue to buy from Kota region of Rajasthan at Rs 1770/75 on delivered basis.

Wheat Stock: As on 1st Sep, 2015:

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.09.2015:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.85	0	8.85
NORTH EAST ZONE	1.28	0	1.28
NORTH ZONE	150.83	87.56	238.39
SOUTH ZONE	4.16	0	4.16
WEST ZONE	14.51	73.64	88.15
TOTAL	183.09	161.65	344.74

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

FOB Value as on 09.09.2015 from various destinations at Kandla:

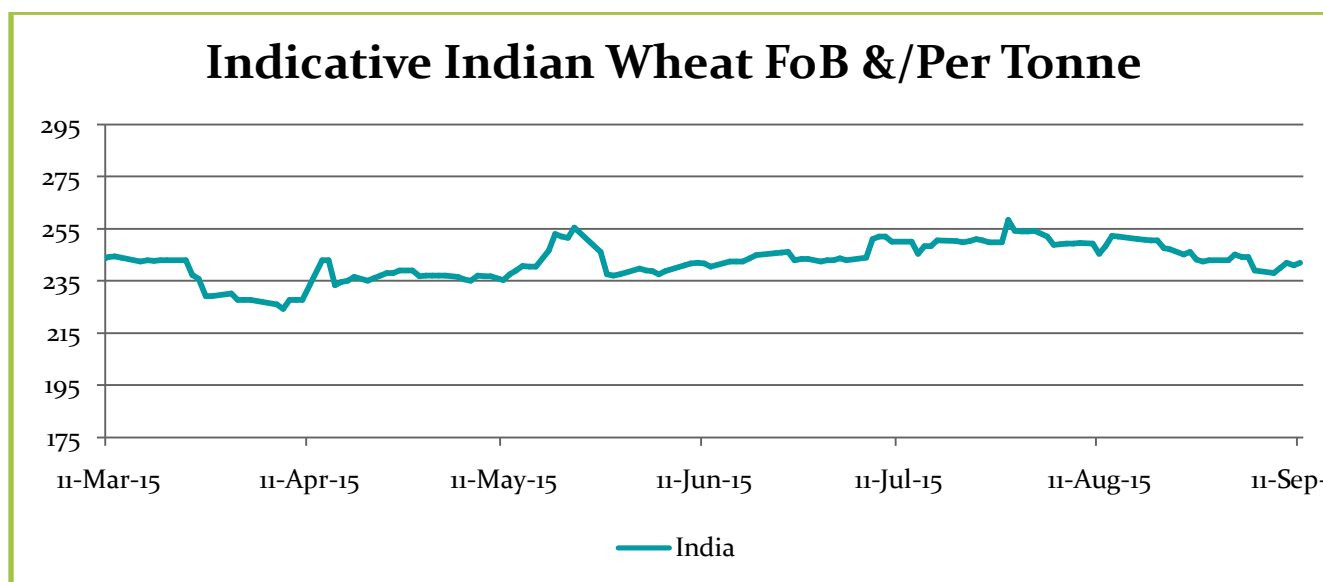
Parity Calculation	Rajkot (FOR)	Kot a	Khagar ia	Indo re	Kosi	MSP	ECO.C ost
Basic cost of wheat (Rs/ton)	15700	NR	16500	15800	NA	14500	20400
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	650	650	650	650	650	600	0
Local transport, port warehousing, labour charges, shortage	0	1850	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	16350	2500	19050	17900	2200	16300	20400
Indian FOB (USD/MT)	245.57	37.55	286.12	268.85	33.04	244.82	306.40
Insurance @ 0.1%	0.25	0.04	0.29	0.27	0.03	0.24	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18

CIF (kandla to Chittagong)	264	56	304	287	51	263	324
INR Value 66.58 (10.09.2015)	66.58	66.58	66.58	66.58	66.58	66.58	66.58
Russian Wheat FOB (USD/MT)	230	230	230	230	230	230	230
Parity on FOB Basis (USD/MT)	-16	192	-56	-39	197	-15	-76

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
15 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		
1st to 6th Sept-15	24.23	334.33		
Total	415745.2	284.5525	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 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
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
24th to 30 Aug-15	853.95	266.96	304.95	239.57
1st to 6th Sept-15	14818.57	280.71	599.54	243.43
Total	164555.28	271.23	357.71	239.88

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: 11-09-2015									
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Sep	5	1504	1518	1501	1511	5470	3260	6100	-2180
15-Oct	-6	1541	1547	1532	1537	1650	-180	6060	225
15-Nov	5	1585	1585	1585	1585	10	0	-	-

Commodity: Wheat
Contract: Oct

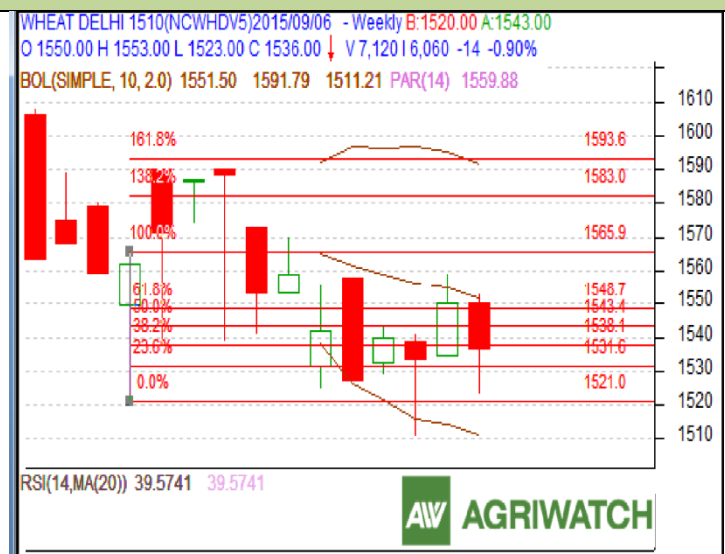
Exchange: NCDEX
Expiry: Oct 20th, 2015

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 1531 while first resistant is at 1565.

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	1521	1531	1536	1565	1583
Weekly Trade Call			Call	Entry	T ₁	T ₂	SL
Wheat	NCDEX	Sep	Buy above	1532	1550	1560	1526

* Do not carry-forward the position next week.

Domestic Weekly Outlook: Wheat market is expected to trade steady to slightly firm in the third 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. Common grade wheat may rule steady.

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			10-Sep-15	3-Sep-15	10-Aug-15	10-Sep-14
USA (Chicago)	2srw	-14.93	203.20	202.10	213.30	238.85
France	FCW3	-5.00	156.75	156.50	175.75	165.00
Australia	ASW	-22.52	203.00	205.00	244.00	262.00
Russia	SRW	-26.33	180.50	180.50	191.00	245.00
India	Fob	-	245.57	245.14	249.41	NA

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	11-Sep-15	4-Sep-15	11-Aug-15	11-Sep-14	
Indore	1542	1541	1513	1590	-3.02
Bareilly	NA	NA	NA	1595	-
Delhi	1640	1634	1577	1584	3.54
Khanna	NA	NA	NA	NA	-
Kanpur	1514	1513	1478	1560	-2.95
Karnal	NA	NA	NA	NA	-
Rajkot	1526	1526	1488	1550	-1.55
Kota	1564	1564	1559	1595	-1.94

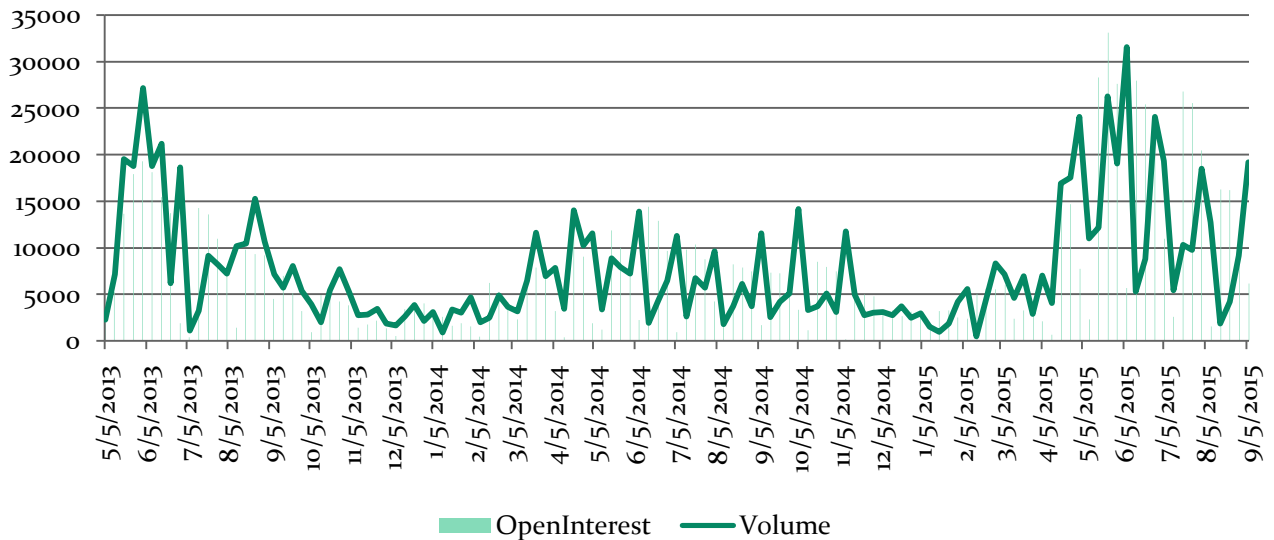
Source: NCDEX; NCDEX delivery prices are inclusive of Mandi tax and other applicable state taxes along with handling & packaging costs.

Spot Market Price:

Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			11-Sep-15	10-Sep-15	4-Sep-15	11-Aug-15	11-Sep-14
Delhi	Lawrence Road	Mill Delivery	1640	1635	1630	1580	1590
	Narella	Mill Quality Loose	1590	1580	1565	1490	1490
	Nazafgarh	Mill Quality Loose	1545	1545	1530	1500	1510
Gujarat	Rajkot	Mill Delivery	1550	1550	NA	1500	1540
	Ahmedabad	Mill Delivery	1610	1610	NA	1590	1665
	Dhrol	Mill Quality Loose	354	1580	NA	NA	NA
	Surat	Mill Delivery	1650	1650	NA	1620	1690
M.P.	Bhopal	Mill Quality Loose	1425	1425	1450	1450	1440
	Indore	Mill Delivery	1580	1580	1580	1575	1600
Rajasthan	Kota	Mill Quality Loose	1440	NR	1450	1440	1480
		Mill Delivery	1525	NR	1520	1500	1550

U.P.	Kanpur	Mill Delivery	1550	1550	1520	1545	1555
	Mathura	Mill Quality Loose	1470	1450	1450	1390	1460
	Kosi	Mill Quality Loose	1445	1450	1445	1400	1460
	Hathras	Mill Quality Loose	1460	1460	1450	1380	1475
	Aligarh	Mill Quality Loose	1470	1470	1450	1400	1440
Punjab	Khanna	Mill Quality Loose	1525	1530	1535	1505	1425
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	1530
Haryana	Sirsa	Mill Delivery loose	1510	1510	1505	1500	1460
	Hodal	Mill Delivery	1630	1630	1630	1560	1610
	Karnal	Mill Quality Loose	NA	NA	NA	NA	1480
	Bhiwani	Mill Quality Loose	1500	1500	1500	1450	1525
	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	1800	NA	1725	1750	1775
	Madurai	Mill Quality	1857	NA	1782	1807	1832
	Coimbatore	Mill Quality	1857	NA	1782	1807	1832
Bihar	Sitamari	Mill Delivery	1530	1530	1530	1520	1590
	Khagariya	Mill Delivery	1650	1650	1650	1550	1600

Wheat NCDEX Volume & OI



International Market Updates:

With better production prospects, higher availability in global market wheat price is bound to trade under pressure in the third and fourth quarters of current MY. The biggest exporters of wheat like Russia and US are trying to offload more and more wheat in the global market. It has kept wheat prices at lower level. Russian wheat exporters are enjoying the benefit of depreciating currency and lower freight rate. Under the current emerging scenario they are in a position to sell wheat at 15/16 percent lower price than the US and Australia. France too offers wheat at competitive price.

Even traditional buyers of American wheat are turning towards Russia due to widening gap(\$22 per T) between both FOB Quotes. Even Nigeria too has started importing wheat from Russia. Current competitiveness is expected to continue and it would keep global wheat market down.

South Korean Mills Have brought over 80000 tonne wheat from Australia. Both mills(KFMC and CJ have brought 30,000 and 50000 thousand tonne at \$216.12 per tonne having 11 percent protein content while. It has brought 5100 tonne hard wheat having 11.5 percent protein content at \$217 per tonne on FOB Basis. More deals are expected at lower rate as fob quote has decreased considerably last week.

Feed mill group (MFG) of South Korea has purchased 60,000 tonne feed wheat at \$198.95 a tonne c&f, plus a \$1.25 a tonne surcharge for additional port unloading charges. Shipment has been sought in between January and February next year. Wheat can't be sourced from China, South America and Denmark for this supply.

Wheat crop in Australia is expected to be higher than previous estimate for 2015/16 due to recent rains. Higher wheat output at the world's fourth-largest exporter of the grain will further drag on global prices. Production of wheat, Australia's largest winter crop, for the season ending July 1, 2016 is expected at 25.284 million tonnes,

As per the latest update from Russian agriculture consultancy firm IKAR this year wheat crop in Russia may not be more than to 60.6 million tones. It has revised down its previous estimate of 61.8 million tonnes. The downgrade was due to a slightly lower than expected harvest in Urals and Siberia

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.

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 Wheat Balance Sheet:

(Quantity in MMT)

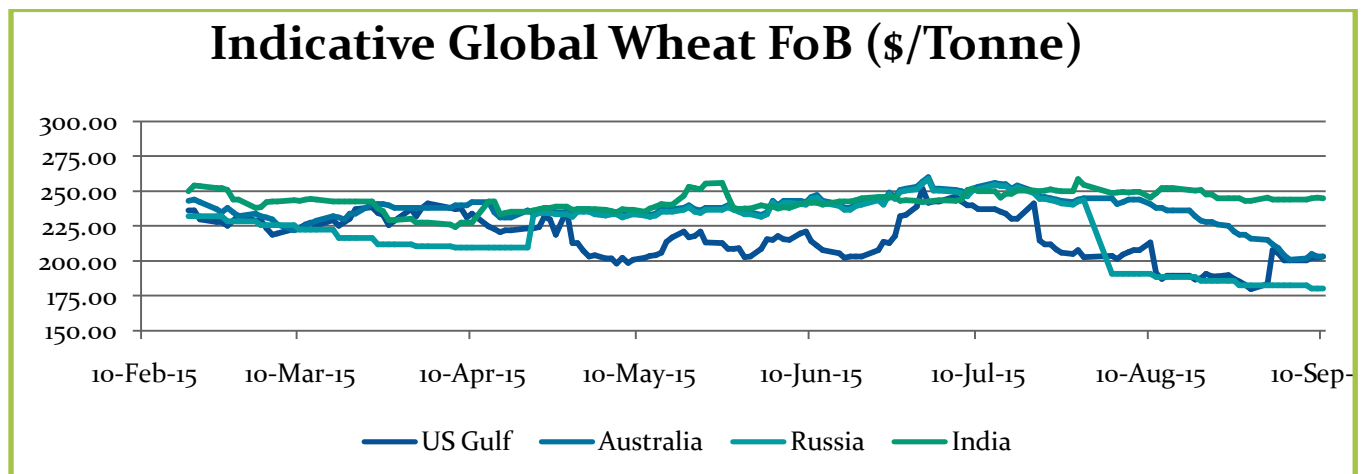
IGC Wheat Balance Sheet
(MMT)

(Quantity in

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 10-Sep-15	Week Ago 3-Sep-15	Month Ago 10-Aug-15	3 Month Ago 10-Jun-15	6 Month Ago 10-Mar-15	Year Ago 10-Sep-14	% Change over previous year
15-Sep	171.94	167.72	193.07	191.51	186.27	184.80	-6.96
15-Dec	175.62	170.93	194.54	196.56	191.69	187.19	-6.18
16-Mar	178.56	174.06	197.20	201.24	196.56	214.01	-16.57
16-May	180.39	176.17	199.04	204.46	200.42	215.20	-16.18
16-Jul	182.05	177.91	200.42	206.48	200.60	212.45	-14.31
16-Sep	185.26	181.22	203.82	209.60	202.25	215.02	-13.84

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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