

Wheat Domestic Market Fundamentals: -

Wheat futures recovered last week as expected taking clue from firm futures and restricted supply from stockists. Demand from local and south Indian millers is almost normal. Rake loading from Kota region to Tamil Nadu and other South Indian states is being reported at Rs 1785/1790 per qtl. This year demand from South India is 15 to 18 percent lower than Sept. last year. Some import (around 5 lakh ton so far) too has impacted demand from Kerala. FAQ/Premium varieties would continue to trade firm-opine trades. Seasonal factors too hint toward steady to slightly firm market.

One way uptrend is unlikely as govt. is keen to release stock through OMSS on regular basis. Higher stock is govt.'s godowns and its urgency to consume stored out wheat earlier due to poor quality of wheat may restrict domestic market to some extent in the third quarter of the year.

Besides, export demand is negligible due to wide gap (\$65 to 70 per ton from Russia & \$50 per ton from US) between FOBs quotes bring Indian exporters out of exporting arena. Import too has decrease last week. However, current MY may end up with 1 million tonne import.

Latest Developments In Domestic Markets : -

Agricultural Statistics Division, Directorate of Economics & Statistics (DES) has released First Adv. Estimate for kharif crop for 2015-16 on 16th Sept, 2015. Production target for wheat in Rabi has been set at 94.75 lakh tonne. In fourth adv. estimate it has revised wheat production estimate for 2014-15 to 90.78 lakh tonne. Notably, India has produced 95.85 million tonne wheat in 2013-14.

India has exported 554.14 tonne wheat in the week ending 13th Sep-15. at an ave FOB price of \$275.79 per tonne. During the same period no import was registered. One smaller consignment is expected in the fourth week of Sep.

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.

Outlook & Recommendation: -

Wheat cash market may trade steady to slightly firm in the coming weeks. Tight supply side may be felt for premium grade wheat that may lend support to FAQ and premium milling grade wheat. However, any spike in milling grade wheat is unlikely. Wheat would continue to trade in the range of Rs 1550 to Rs 1650 per qtl. in cash market depending on source and quality of wheat. It is good for stake holders to buy and sell on regular basis without retaining stock for long period.

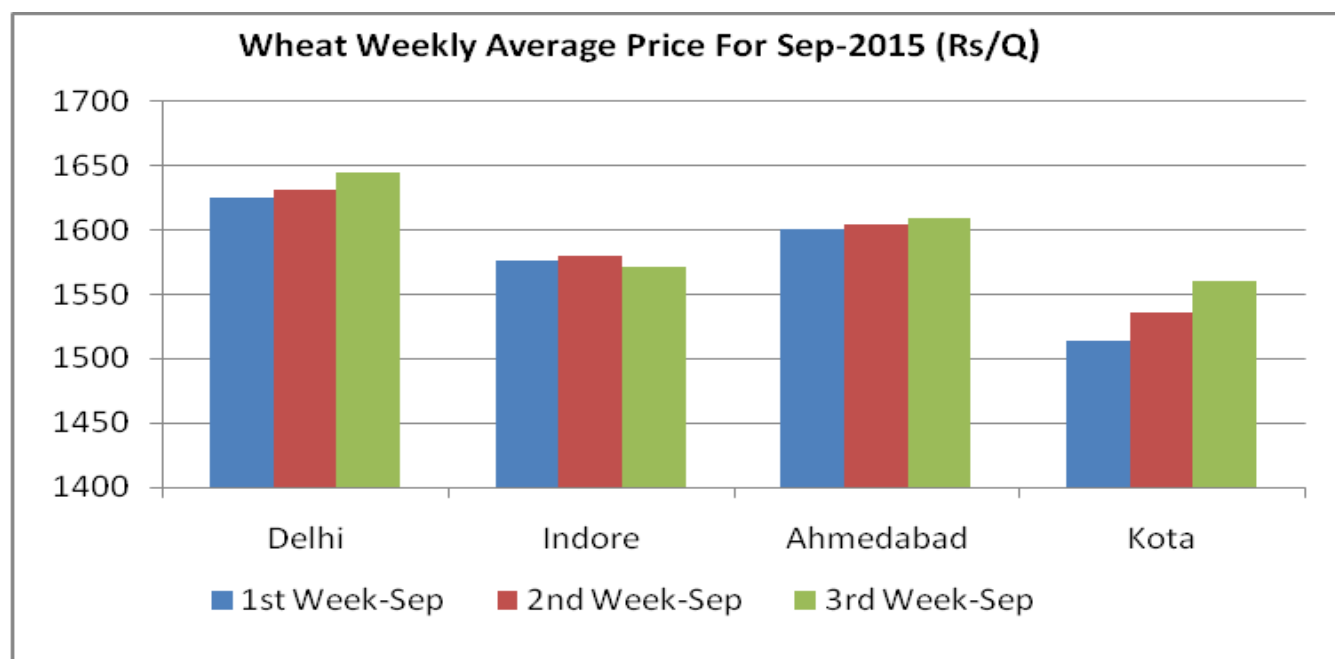
Trade Call:

Stake holders may go for buying above 1535-36 for the target of 1550-1555 in Oct Contract.

Weather Condition & Warning:

The low pressure area over Saurashtra & neighbourhood persists. Associated upper air cyclonic circulation extends upto 4.5 km above mean sea level also persists. Heavy to very rainfall would occur at isolated places over Jammu & Kashmir. Heavy rainfall would occur at isolated place over SubHimalayan West Bengal & Sikkim, Bihar, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Punjab, Haryana, Chandigarh & Delhi, East Uttar Pradesh, West Uttar Pradesh, Uttarakhand and Himachal Pradesh.

Wheat Weekly Ave Price Chart:



Wheat average prices have increased week on week basis in all major bench mark markets except Indore where it decreased by Rs 10 per qtl..Prices of wheat in Rajasthan have been ruling lower and demand shifted from M.P. to Rajasthan due to cheaper wheat prices. Increased demand for Rajasthani wheat Supported local market and price ave price increased by Rs 21 per qtl. in last one week.Price is expected to move slightly up from current level and may match from wheat price in Indore.

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.

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 while 30 lakh tonne as reserve stock. In Sept 2014 central pool stock was registered at 351.72 lakh tonne. It is 1.98 percent lower than the available stock in Sept, 2014.

FOB Value as on 19.09.2015 from various destinations at Kandla:

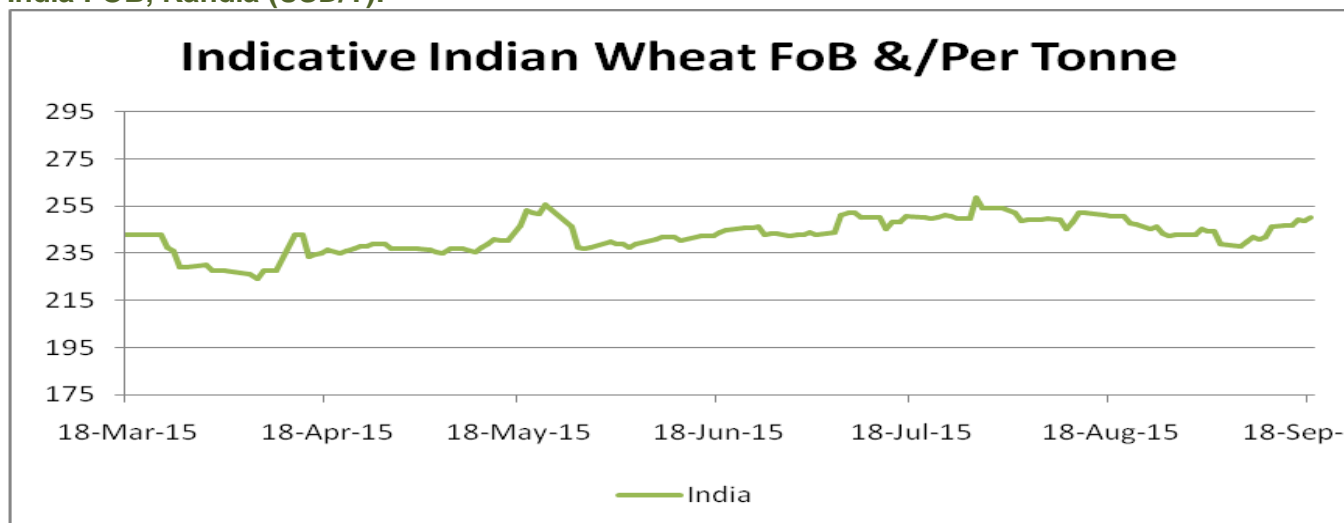
Weekly Parity Sheet: (As on 19 September, 2015)

Parity Calculation	Rajkot (FOR)	Kota	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16250	15800.000	16500	15750	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)	16900	18300	19050	17850	2200	16300	20400
Indian FOB (USD/MT)	256.57	277.82	289.21	270.99	#DIV/0!	#DIV/0!	#DIV/0!
Insurance @ 0.1%	0.26	0.28	0.29	0.27	#DIV/0!	#DIV/0!	#DIV/0!
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	275	296	307	289	#DIV/0!	#DIV/0!	#DIV/0!
INR Value 65.87 (19.09.2015)	65.87	65.87	65.87	65.87	0	0	0
Russian Wheat FOB (USD/MT)	180	180	180	180	180	180	180
Parity on FOB Basis (USD/MT)	-77	-98	-109	-91	#DIV/0!	#DIV/0!	#DIV/0!

There is no parity for wheat export at current price.

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):



FoB Prices are of new wheat from Saurashtra Region to Kandla. There is no parity from other states at current price.

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
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
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		
7th to 13th Sep-15	No Import			
Total	415769.43	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
7th to 13 Sept-15	554.14	275.79	331.61	240.73
Total	165109.42	271.47	356.34	239.93

Source:IBIS

Wheat Procurement In My 2015-16

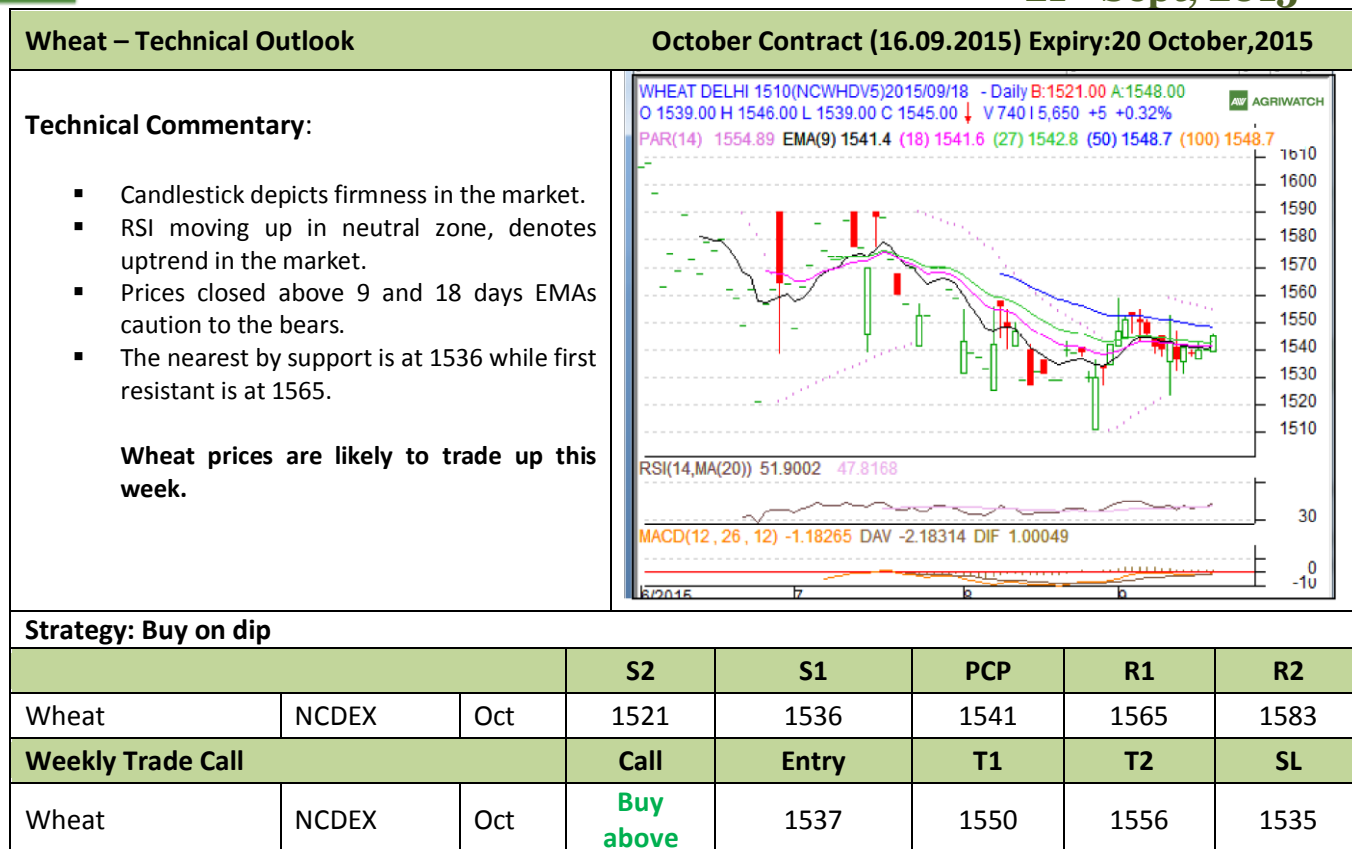
States	Total During 2014-15	Target For 2015-16	Procurement for the season as on 13th July, 2014	Procurement for the season as on 14th July, 2015	% Ch till date
Punjab	116.41	125	107.74	103.44	-3.99%
Haryana	64.95	65	64.14	67.78	5.68%
UP	6.28	30	6.28	22.67	260.99%
M.P.	70.94	78	71.88	73.09	1.68%
Bihar	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%

Source:FCI

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

Wheat Futures Contract: NCDEX Price Date: 16-09-2015									
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	-	-

Wheat Technical Analysis:



Domestic Weekly Outlook:

Wheat market is expected to trade steady to slightly firm in the fourth week of Sept due to seasonal factors like festive demand, restricted supply from private trades and fear of poor quality of wheat stored in govt.'s godowns. However, any unexpected 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
			18-Sep-15	11-Sep-15	18-Aug-15	18-Sep-14
USA (Chicago)	2srw	-11.47	204.61	202.67	186.81	231.13
France	FCW3	-7.08	154.25	153.00	164.25	166.00
Australia	ASW	-	NA	207.00	236.00	256.00
Russia	SRW	-26.58	179.50	180.50	188.50	244.50
India	Fob	-	252.58	250.38	250.69	NA

Spot Market Price:							
Centre	Market	Variety	Prices (Rs/Qtl)				
			Today	Yesterday	Week Ago	Month Ago	Year Ago
			19-Sep-15	18-Sep-15	12-Sep-15	19-Aug-15	19-Sep-14
Delhi	Lawrence Road	Mill Delivery	1655	1645	1640	1585	1610
	Narella	Mill Quality Loose	1570	1590	1585	NA	1540
	Nazafgarh	Mill Quality Loose	1570	1565	1555	NA	1550
Gujarat	Rajkot	Mill Delivery	1560	1560	1560	1540	1560
	Ahmedabad	Mill Delivery	1610	1600	1600	1600	1670
	Dhrol	Mill Quality Loose	NA	1550	1590	1550	NA
	Surat	Mill Delivery	1660	1660	1650	1635	1690
M.P.	Bhopal	Mill Quality Loose	1450	1450	1450	1500	1450
	Indore	Mill Delivery	1575	Closed	1580	1580	1600
Rajasthan	Kota	Mill Quality Loose	1485	1480	1470	1440	1500
		Mill Delivery	1580	1560	1560	1520	1580
U.P.	Kanpur	Mill Delivery	1525	1525	1550	1550	1565
	Mathura	Mill Quality Loose	1470	1470	1470	1425	1475
	Kosi	Mill Quality Loose	1485	1482	1450	1440	1470
	Hathras	Mill Quality Loose	1440	1460	1460	1400	1470
	Aligarh	Mill Quality Loose	NR	NR	1470	NA	1440
Punjab	Khanna	Mill Quality Loose	1520	1525	1530	1520	1450
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	1530
Haryana	Sirsa	Mill Delivery loose	1510	1510	1510	1500	1465
	Hodal	Mill Delivery	1650	1650	1630	1580	1610
	Karnal	Mill Quality Loose	NA	NA	NA	NA	1500
	Bhiwani	Mill Quality Loose	1530	1520	1500	1500	1520
	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	1775	1750	1760	1750	1775
	Madurai	Mill Quality	1832	1807	1817	1807	1832
	Coimbatore	Mill Quality	1832	1807	1817	1807	1832
Bihar	Sitamari	Mill Delivery	Closed	Closed	1530	NA	1610
	Khagariya	Mill Delivery	1650	1650	1600	1550	1600

International Market Updates:

Pressure of selling in global wheat market continues with ample availability worldwide. Russian traders are offering wheat at \$182 per tonne (Basis FOB) for Sept -Oct delivery having 12.5 percent protein content. Ukraine is offering wheat at \$170 per tonne having 11.5 percent protein content for the same period of delivery. Ukraine is offering feed grade wheat at \$155 for Sept and \$160 for Oct delivery.

With favourable weather condition for standing crop of wheat in Australia market analysts have started talking higher than expected production this year. As per the latest update by ABARE Australia may enjoy 25.2 MMT wheat production this year and export 1 MMT more than normal expectation of 16.5 MMT in 2015-16 (starting from July to June). Higher export expectation has surfaced ground despite ample EU and Black Sea Region Crop.

Indonesia is the biggest buyers of Australian wheat (25 percent of total wheat export) and is expected to continue its status as the biggest buyer in 2015-16 too. Australia received an order of supplying 1.10 lakh tonne feed grade wheat from Philippines. Almost 55000 tonne has been priced at \$210.90 Per Tonne on c&f basis and the rest at \$213.75 per T.

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 previously expected in 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 60.6 million tonnes. 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.

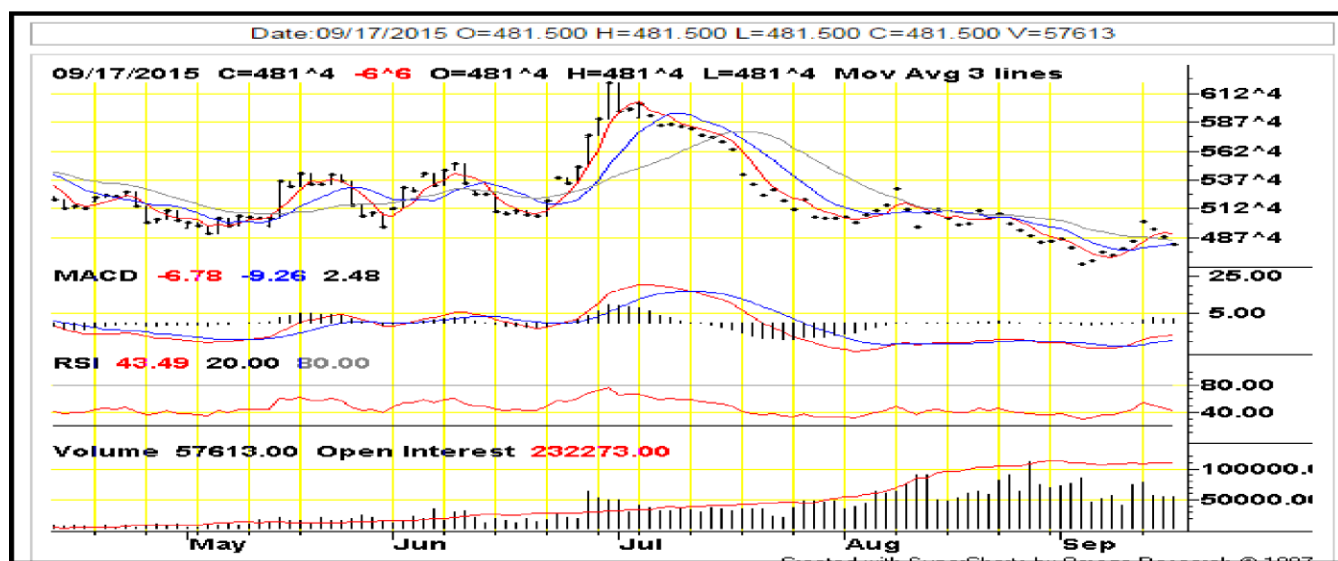
IGC Wheat Balance Sheet:

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

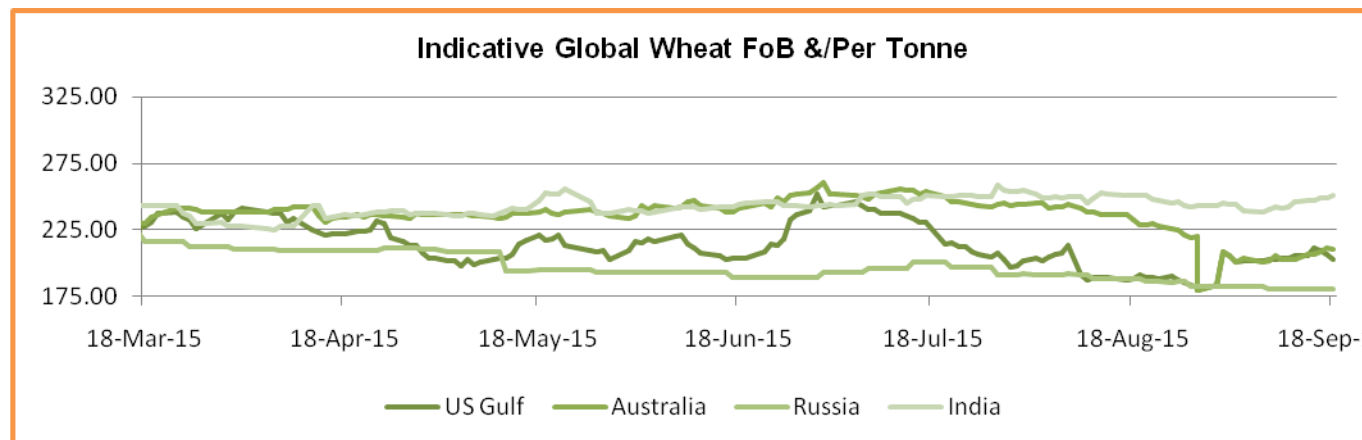
CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	18-Sep-15	11-Sep-15	18-Aug-15	18-Jun-15	18-Mar-15	18-Sep-14	
15-Dec	178.83	175.62	185.35	187.65	195.00	207.58	-13.85
16-Mar	181.31	178.56	187.28	192.52	199.77	211.16	-14.14
16-May	183.06	180.39	188.57	195.55	201.98	212.45	-13.83
16-Jul	184.53	182.05	189.67	197.48	200.51	210.52	-12.35
16-Sep	187.74	185.26	193.16	200.78	203.45	213.09	-11.90

CBOT Sep 15 Futures Chart:



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. The rain was not only timely for wheat and other winter crops, but also benefited summer crops, helping to condition topsoils in advance of cotton and sorghum planting. Temperatures averaged slightly above normal (up to 2°C above normal) in eastern Australia and near normal in Southern and the Western Australia.

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. Little to no rain fell from La Pampa and Buenos Aires northward, with light, scattered showers (less than 25 mm) generally confined to far southern and eastern production areas. 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 dry down but provided early supplemental moisture for winter wheat planting in Uzbekistan.

International Weekly Outlook:

IGC has revised production and consumption estimate up by one million tonne and 4 million tonne respectively to 720 MMT & 716 MMT. Carryout stock has been revised up by 5 million tonne to 206 MMT and it hints towards comfortable world supply side this year. Higher production prospects (26 million tonne) in Australia, France and Russia would weigh on market. Overall, global wheat market is likely to trade 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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