

Wheat Domestic Market Fundamentals: -

Wheat futures and cash markets stayed steady after downward correction during the week under review. Supply-demand side is almost balanced and weak export demand puts a cap on firm tendency. Better sowing conditions and ample stock in central pool remained restrictive to the cash market fundamentals. Rake loading from Kota region to Tamil Nadu and other South Indian states is being reported at Rs 1790/1805 per qtl. However, premium grade/milling quality would continue to trade firm due to short supply and higher demand for branded/premium wheat products.

India imported 25816.29 tonne wheat from Australia during the week ending 4th Oct-2015 at an average CiF of \$258.96 per tonne. With this quantity total import in current MY has touched at 4,41637.02 Tonne. One vessel is due on mid of the month. As wheat FoB price in the international market have improved, fresh deals have not been reported for October delivery.

Despite demand from South India this year and import by Kerala based millers wheat prices in domestic market is expected to stay steady to slightly firm in case of milling and premium grade due to lower availability of fine grade wheat this year. The marketing year is expected to end with one MMT wheat import despite recently imposed duty of 10 %. So far around 5 lakh tonne wheat has been imported mostly from Australia, France and Ukraine.

As wheat prices of milling /premium grade in domestic market have started firming up, off-take from central pool stock is expected to increase in the month ahead as usual higher availability in central pool stock and plan to regular release through OMSS would help checking wheat price. Luster loss wheat may stay steady while FAQ varieties would continue to trade firm.

Besides, export demand is negligible due to wide gap(\$60 to 65 per ton from Russia & \$50 per ton from US) between FoBs quotes bring Indian exporters out of exporting arena. There was no wheat export in the week ending 4th October-2015..

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 exported total 178991.92 tonne wheat in current MY. The volume is unexpectedly lower due to disparity and higher prevailing prices in the domestic market. Wheat stock in central pool was registered at 336.65 lakh tonne as on 16.09.2015. Stock in transit was reported at around 3.46 lakh tonne while wheat lying in mandis was registered at 0.35 lakh tonne.

Outlook & Recommendation: -

Wheat cash market is expected to trade steady to slightly firm in the coming weeks. Tight supply side may be felt for premium/milling grade wheat that may lend support to FAQ and premium milling grade wheat. However, any spike in milling grade (luster loss) wheat is unlikely.

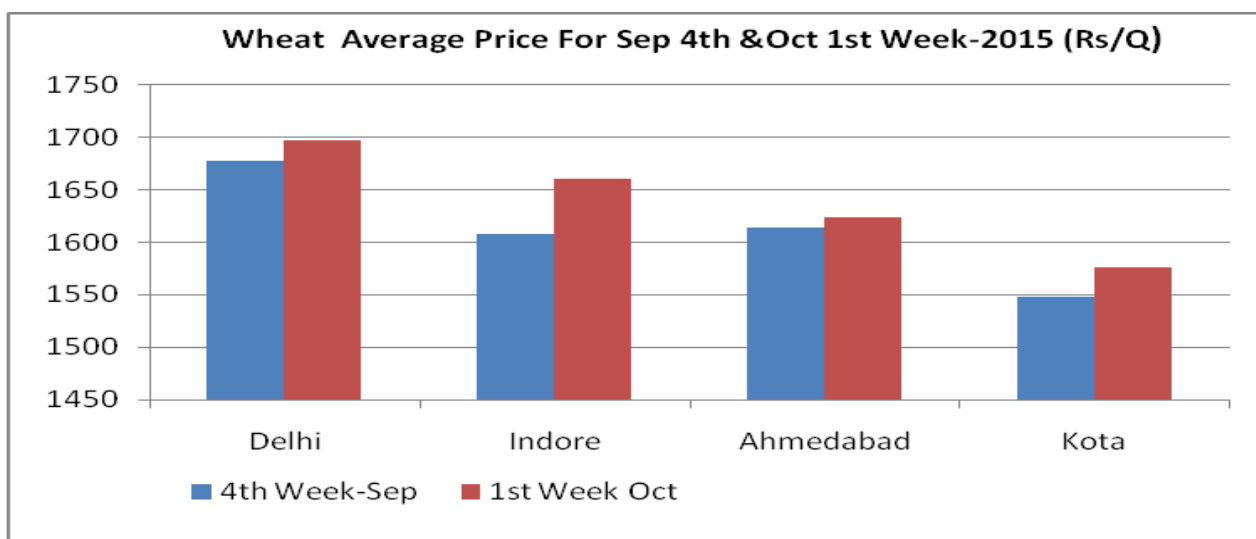
Trade Call:

Stake holders may go for Selling below 1640 for the target of 1620 in Nov Contract.

Weather Update: Weather Condition:

In the monsoon season, cumulative Rainfall for the country as a whole during the period 1st June to 09th September, 2015 was 15% lower than Long Period Average (LPA). Rainfall (% departure from LPA) in the four broad geographical divisions of the country during the above period was lower by 4% in East & North East India, 17% in North West India, 20% in Central India and 17% in South Peninsula.

Wheat Weekly Ave Price Chart:



Wheat average prices continued its upward journey week on week basis in all major bench mark markets during the week under review.. 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. Price is expected to move slightly up from current level and may match wheat price in Indore in next two three weeks.

Wheat Stock: As on 16th Sep, 2015:

STOCKS OF WHEAT IN CENTRAL POOL AS ON 16.09.2015:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	9.14	0	9.14
NORTH EAST ZONE	1.51	0	1.51
NORTH ZONE	148.44	82.04	230.48
SOUTH ZONE	4.77	0	4.77
WEST ZONE	14.77	72.17	86.94
TOTAL	182.09	154.56	336.65

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

Wheat stock in central pool was registered at 336.65 lakh tonne as on 16.09.2015. Stock in transit was reported at around 3.46 lakh tonne while wheat lying in mandis was registered at 0.35 lakh tonne. As on first October India requires 175.20 lakh tonne as buffer stock and 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.

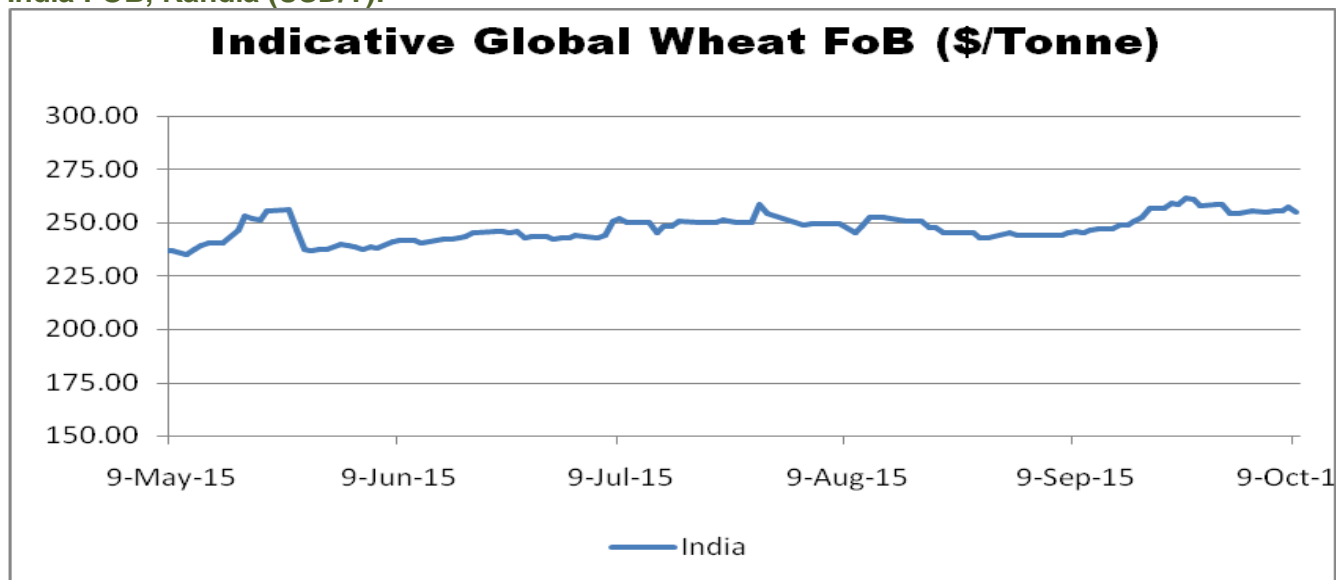
FOB Value as on 90.10.2015 from various destinations at Kandla:

Weekly Parity Sheet: (As on 9 October, 2015)

Parity Calculation	Rajkot (FOR)	Kota	Khagaria	Indore	Kosi	MSP	ECO.Co st
<i>Basic cost of wheat (Rs/ton)</i>	16000	16000.00 0	16500	1690 0	0	14500	20400
<i>Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)</i>	650	650	650	650	650	600	0
<i>Local transport, port warehousing, labour charges, shortage</i>	0	1850	1900	1450	1550	1200	0
<i>Indian FOB (Rs/MT)</i>	16650	18500	19050	1900 0	2200	16300	20400
Indian FOB (USD/MT)	257.02	285.58	294.07	293.3 0	#DIV/ 0!	#DIV/ 0!	#DIV/0!
<i>Insurance @ 0.1%</i>	0.26	0.29	0.29	0.29	#DIV/ 0!	#DIV/ 0!	#DIV/0!
<i>Freight Charges (US \$/ton) to Chittagong</i>	18	18	18	18	18	18	18
<i>CIF (kandla to Chittagong)</i>	275	304	312	311	#DIV/ 0!	#DIV/ 0!	#DIV/0!
INR Value 64.78 (9.10.2015)	64.78	64.78	64.78	64.78	0	0	0
Russian Wheat FOB (USD/MT)	186	186	186	186	186	186	186
Parity on FOB Basis (USD/MT)	-72	-100	-109	-108	#DIV/ 0!	#DIV/ 0!	#DIV/0!

There is no parity for wheat export at current price.

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 prices in domestic market have decreased last week. However, any steep fall is unlikely. Despite slight decrease gap still remains in between \$35 to \$45 per tonne from global market.

Wheat Import Weekly Data:

Wheat Export During Oct,2015 Till 04 th				
Month Sep-2015	Quantity In Tonne	Ave CIF/\$/Tonne	High	Low
1st to 6th Sept-15	14818.57	280.71	599.54	243.43
7th to 13th Sep-15	554.14	275.79	331.61	240.73
14th to 20th Sep-15	536.62	286.02	341.34	258.33
21st to 27th sep-15	13346.87	268.27	440	251.21
28Sep to 4th Oct-15	no export			
Total In MY 2015-16	178992.91	272.01	359.61	241.34

Wheat Export Weekly Data:

Wheat Import During Sep,2015 Till 27th				
Month Sep-2015	Quantity In Tonne	Ave CIF/\$/Tonne	High	Low
1st to 6th Sept-15	24.23	334.33	320	
7th to 13th Sep-15	No Import			240
14th to 20th Sep-15	no import			
21st to 27th sep-15	51.2	327.22	327.22	
28Sep to 4th Oct-15	25816.39	258.96		
Total In MY 2015-16	288905.27	311.56	323.61	240.00

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 Contact: NCDEX Price Date:09-10-2015									
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Oct	3	1600	1600	1574	1592	1660	510	4400	-1190
15-Nov	0	1631	1644	1624	1627	1660	200	4260	270
15-Dec	15	1650	1665	1650	1665	40	10	30	0

Wheat Technical Analysis:

Wheat – Technical Outlook

November Contract, Expiry:20 Nov,2015

Technical Commentary:

- Candlestick depicts weakness in the market.
- RSI moving down 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 1613 while first resistant is 1645.

Wheat prices are likely to trade down this week.

WHEAT DELHI 1511(NCWHD5)2015/10/09 - Daily B:1627.00 A:1631.00 O 1631.00 H 1644.00 L 1624.00 C 1630.00 ↓ V 1,660 14,280 +3 +0.18%

PAR(14) 1558.66 EMA(9) 1605.4 (18) 1591.7 (27) 1585.2 (50) 1578.8 (100) 1578.8

0.0%

23.6%

38.2%

50.0%

61.8%

100.0%

1650

1640

1630

1620

1610

1600

1590

1580

1570

1560

1550

1540

1530

1520

1510

RSI(14,MA(20)) 72.1369 55.1121

MACD(12, 26, 12) 13.8263 DAV 6.08274 DIF 7.74357

80

30

15

9/2015

10

AGRIWATCH

Strategy: Sell On Rise

			S2	S1	PCP	R1	R2
Wheat	NCDEX	Nov	1595	1613	1630	1645	1667
Weekly Trade Call			Call	Entry	T1	T2	SL
Wheat	NCDEX	Nov	Sell Below	1640	1620	1615	1645

Domestic Weekly Outlook:

Wheat market is expected to trade steady to slightly firm in the second week of Oct 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 while premium /milling grade may trade firm. Futures may dip slightly.

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			8-Oct-15	1-Oct-15	4-Sep-15	8-Oct-14
USA (Chicago)	2srw	-13.28	219.14	221.09	200.30	252.70
France	FCW3	1.05	168.25	167.00	150.75	166.50
Australia	ASW	-15.91	222.00	223.00	204.00	264.00
Russia	SRW	-19.13	186.00	186.00	184.00	230.00
India	Fob	7.09	257.02	255.56	244.11	240

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	9-Oct-15	2-Oct-15	8-Sep-15	9-Oct-14	
Indore	1641	1628	1547	1555	5.53
Bareilly	-	-	-	1555	-
Delhi	1702	1705	1630	1613	5.52
Khanna	-	-	-	-	-
Kanpur	1610	1618	1500	1514	6.34
Karnal	-	-	-	-	-
Rajkot	1583	1588	1533	1548	2.26
Kota	1611	1587	1564	1593	1.13

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
			9-Oct-15	8-Oct-15	3-Oct-15	8-Sep-15	9-Oct-14
Delhi	Lawrence Road	Mill Delivery	1695	1700	1700	1625	1610
	Narella	Mill Quality Loose	1625	1615	1620	1560	1540
	Nazafgarh	Mill Quality Loose	1630	1640	1620	1540	1540
Gujarat	Rajkot	Mill Delivery	1580	1580	1550	1550	1550
	Ahmedabad	Mill Delivery	1640	1640	1610	1600	1625
	Dhrol	Mill Quality Loose	1700	1700	1580	NA	NA
	Surat	Mill Delivery	1680	1680	1660	1650	1650
M.P.	Bhopal	Mill Quality Loose	1500	1500	1500	1450	1425

	<i>Indore</i>	<i>Mill Delivery</i>	1690	1650	1650	1580	1555
Rajasthan	<i>Kota</i>	<i>Mill Quality Loose</i>	1520	1500	1470	1470	1480
		<i>Mill Delivery</i>	1600	1590	1550	1550	1570
U.P.	<i>Kanpur</i>	<i>Mill Delivery</i>	1550	1545	1550	1550	1550
	<i>Mathura</i>	<i>Mill Quality Loose</i>	1525	1520	1520	1470	1480
	<i>Kosi</i>	<i>Mill Quality Loose</i>	<i>Closed</i>	1515	1520	1460	1450
	<i>Hathras</i>	<i>Mill Quality Loose</i>	1525	1525	1480	1450	1450
	<i>Aligarh</i>	<i>Mill Quality Loose</i>	1510	1520	1520	1450	1440
Punjab	<i>Khanna</i>	<i>Mill Quality Loose</i>	NA	1530	1540	1530	1450
	<i>Ludhiana (Jagraon)</i>	<i>Mill Delivery</i>	NA	NA	NA	NA	1560
Haryana	<i>Sirsa</i>	<i>Mill Delivery loose</i>	1535	1530	1525	1505	1480
	<i>Hodal</i>	<i>Mill Delivery</i>	1700	1700	1700	1630	NA
	<i>Karnal</i>	<i>Mill Quality Loose</i>	NA	NA	NA	NA	NA
	<i>Bhiwani</i>	<i>Mill Quality Loose</i>	1580	1600	1625	1500	1510
	<i>Panipat</i>	<i>Mill Quality Loose</i>	NA	NA	NA	NA	NA
Tamil Nadu	<i>Chennai</i>	<i>Mill Quality</i>	1850	1825	1800	1760	1800
	<i>Madurai</i>	<i>Mill Quality</i>	1907	1882	1857	1817	1857
	<i>Coimbatore</i>	<i>Mill Quality</i>	1907	1882	1857	1817	1857
Bihar	<i>Sitamari</i>	<i>Mill Delivery</i>	1535	1535	NA	1525	1550
	<i>Khagariya</i>	<i>Mill Delivery</i>	1680	1660	1680	1650	1600

International Market Updates:

Saudi Arabia's the Grain Silos and Flour Mills Organization (GSFMO) has issued an international tender to purchase 715,000 tonnes of hard wheat for delivery in December and Feb-2015. Wheat with 12.5 percent protein content was sought. Saudi Arabia has become a major importer of hard and soft wheat since abandoning plans for self-sufficiency in wheat in 2008.

Egypt has purchased 60,000 tonnes wheat from Ukraine at \$199.44 per tonne for delivery in the first week of Nov-2015. Apart from this it has purchased 1.75 lakh tonne wheat from Russia at \$200.25, \$199.44 and \$199.95.

As of October 1, Ukraine had exported 5.452 million tonnes of wheat, according to the website of the Agricultural Policy and Food Ministry. As reported, the agricultural ministry forecasts that grain exports in the 2015/2016 marketing year (July-June) will reach 36.8 million tonnes. The harvest in 2015 will be 58-60 million tonnes.

IGC has revised wheat production estimate up by 7 million tonne from 720 to 727 MMT. The recent increase is mainly attributed to improved production prospects in Russia, Ukraine, Australia and EU. It might be a final production estimate for the year. Previously IGC had increased production estimate from 710 to 720 MMT.

Wheat FoB quotes in Russia improved around \$5 per tonne in anticipation of wheat export tax cut and govt's plan to procure wheat at higher price. Decision on tax cut is expected in the first week of Oct. Wheat having 12.5 percent protein content quoted at \$187 per tonne free-on-board (FOB) at the end of last week, up \$5 from a week earlier. Currently, export tax is set at 50 percent of the customs price minus 5,500 roubles (\$83) per tonne, but not less than 50 roubles a Ton. Now limit may be raised from 5500 to 6500 rouble per ton.

Iran has cancelled import duties imposed in the month of July this year on wheat. Notably, Iran govt. had imposed wheat import duty @ \$50 per tonne which made import totally unfeasible. Import duty has been lifted despite repeated statements that Iran has sufficient stock and there is no need of any import this year.

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 1MMT more than normal expectation of 16.5 MMT in 2015-16 (starting from July to June). Higher export expectation has surfaced despite ample EU and Black Sea Region Crop.

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 bought 30,000 T Russian wheat for Oct delivery at \$187 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	
				27.08.2015	24.09.2015
Production	655	714	720	720	727
Trade	142	156	153	148	149
Consumptions	677	696	707	716	719
Carryover stocks	171	188	202	206	211
Y-O-Y change	-21	18	14		9
Major Export	51	55	65	68	71

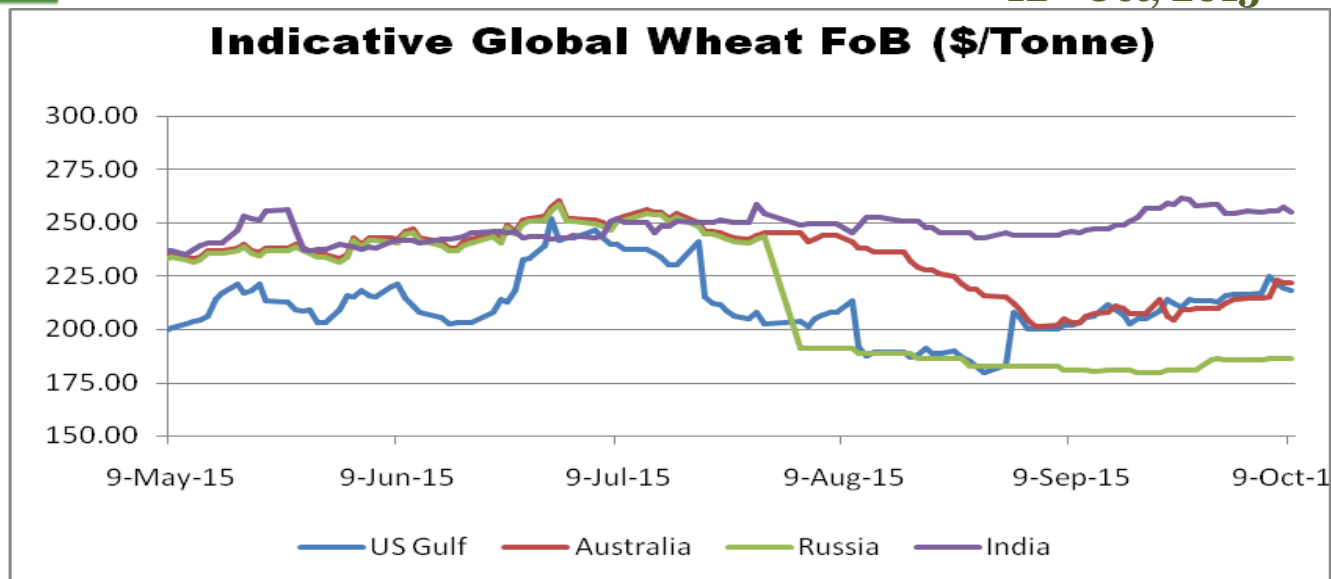
CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	8-Oct-15	1-Oct-15	7-Sep-15	8-Jul-15	7-Apr-15	8-Oct-14	
15-Dec	187.93	188.57	171.85	214.84	205.10	202.00	-6.97
16-Mar	190.68	190.68	174.97	217.32	209.97	210.43	-9.38
16-May	192.52	192.24	177.18	218.42	212.91	210.24	-8.43
16-Jul	193.99	192.98	178.83	216.95	209.97	207.40	-6.47
16-Sep	197.29	195.82	182.23	218.97	212.45	208.32	-5.29

CBOT Sep 15 Futures Chart:



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



International Weekly Outlook:

Despite rough weather for planting of winter wheat crop, global wheat market is bound to reel under pressure in the third quarter of the year. IGC has revised wheat production estimate up by 7 to 727 MMT for 2015-16. It is almost 7 MMT higher than previous month estimate. Consumption estimate too has been revised up from 716 to 718 MMT. However, it would not impact global wheat prices as the latest production estimate would make availability ample throughout the world. 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.

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