

Wheat Domestic Market Fundamentals: -

Wheat cash market stayed steady to slightly firm despite weak futures. Market participants opine that wheat FAQ varieties would trade slightly higher in the short to medium term while premium grade would continue to trade firm. Wheat is being traded in the range of Rs 1600 to Rs 1675 per qtl., depending upon sourcing place and quality of the seed. Overall sentiment remains firm. Wheat sowing is expected to commence by the end of this month.

Wheat import during the week ending 11th Oct - was registered at 3000 tonne at an average CiF quote of \$268.63 per tonne. As parity is not in favour of India, export volume is unlikely to increase in the coming weeks. Export volume was registered at 484.51 tonne during the same period at an average FoB of \$300.87 per tonne. Wheat has been imported from Australia and offloaded at Cochin port.

Agriwatch preliminary estimate (based on pre sowing farmer's intention) shows slightly lower area coverage under wheat this year than last year. It may dip slightly in Rajasthan. Wheat sowing may get delayed by a week or two due to late paddy harvesting and higher than normal temperature in major growing states.. Total area coverage may decrease to 304 lakh ha. lower by 2 lakh ha. from last year. Under normal condition wheat production is expected around 94 MMT in 2015-16 crop year.

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.

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. Gov may increase import duty on wheat from 10 % to 25 percent to check the flow of 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.

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. Gov may increase import duty on wheat from 10 % to 25 percent to check the flow of import.

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.

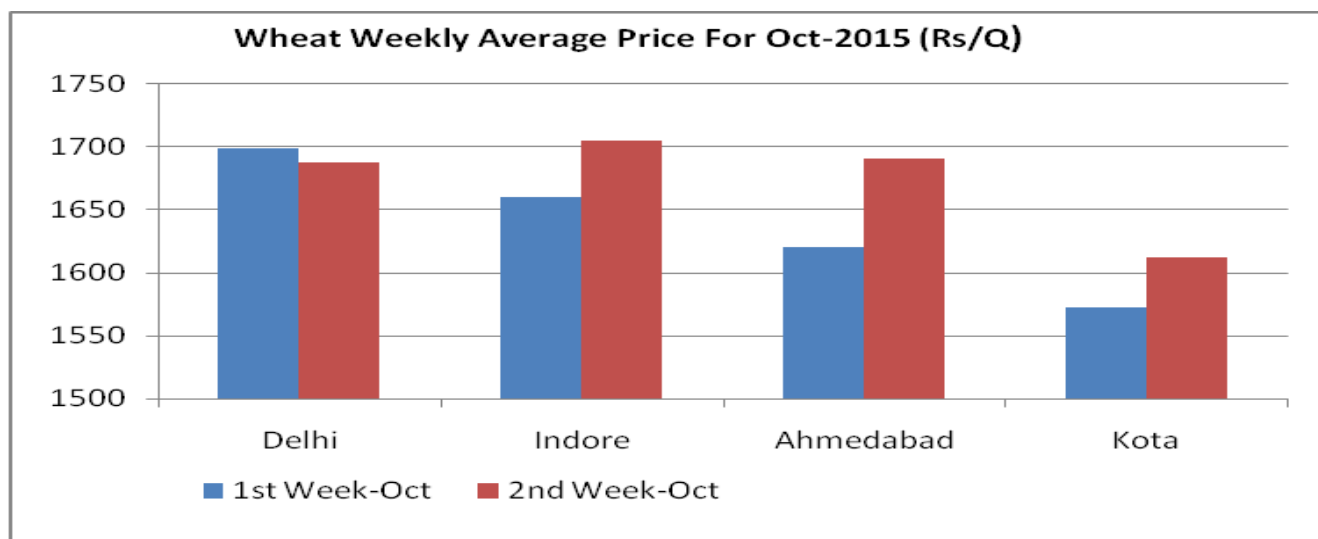
Trade Call:

Stake holders may go for Buying wheat at 1645 for the target of 1660 in Nov Contract.

Weather Update: Weather Condition:

The cumulative rainfall in the country during the post monsoon season i.e. 01st October to 07th October, 2015 was 44% 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 74% in East & North East India, 99% in North West India, 55% in Central India and higher by 22% 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 except Delhi during the week under review. Prices of wheat in Rajasthan, Gujarat and Madhya Pradesh have been ruling firm and uptrend is likely to continue.

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.

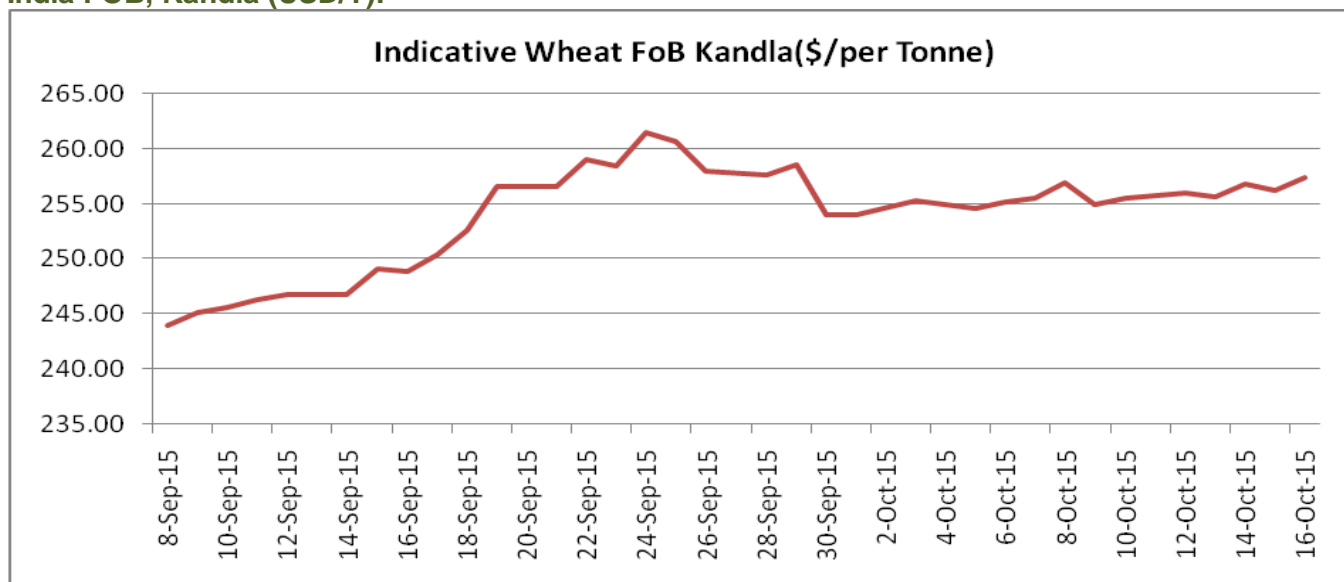
FOB Value as on 16.10.2015 from various destinations at Kandla:

Weekly Parity Sheet: (As on 16 October, 2015)

Parity Calculation	Rajkot (FOR)	Kota	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16000	16250.00	16500	17100	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)	16650	18750	19050	19200	2200	16300	20400
Indian FOB (USD/MT)	256.31	288.64	293.26	295.57	#DIV/o!	#DIV/o!	#DIV/o!
Insurance @ 0.1%	0.26	0.29	0.29	0.30	#DIV/o!	#DIV/o!	#DIV/o!
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	274	307	311	314	#DIV/o!	#DIV/o!	#DIV/o!
INR Value 65.1578 16.10.2015)	65.15	65.15	65.15	65.15	65.15	65.15	65.15
Russian Wheat FOB (USD/MT)	197	197	197	197	197	197	197
Parity on FOB Basis (USD/MT)	-59	-92	-96	-99	#DIV/o!	#DIV/o!	#DIV/o!

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 increased last week. However, any steep fall is unlikely. Despite slight decrease gap from global market continues to be between \$35 to \$45 per tonne..

Wheat Import Weekly Data:

Wheat Import During Sep-Oct,2015 Till 11th				
Month Sep-Oct,2015	Quantity In Tonne	Ave CIF/\$/Tonne	High	Low
1st to 6th Sept-15	24.23	334.33	320	240
7th to13th Sep-15	No Import			
14th to 20th Sep-15	No import			
21st to 27th sep-15	51.2	327.22	327.22	327.22
28Sep to 4th Oct-15	25816.39	258.96		
5th Oct to 11Oct-15	3000	268.63		
Total In MY 2015-16	444637.02	297.29	323.61	283.61

Wheat Export Weekly Data:

Wheat Export During Sep-Oct,2015 Till 11th				
Month Sep-Oct,2015	Quantity In Tonne	Ave CIF/\$/Tonne	High	Low
1st to 6th Sept-15	14818.57	280.71	599.54	243.43
7th to13th 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		0	0
5th Oct-11Oct	484.51	300.87	345	248
Total In MY 2015-16	179477.42	282.33	342.92	206.95

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:16-10-2015									
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Oct	7	1633	1650	1625	1640	520	430	1290	390
15-Nov	8	1647	1653	1640	1653	2520	1500	6050	-610
15-Dec	21	1673	1694	1666	1694	70	40	160	10

Wheat Technical Analysis:

Wheat – Technical Outlook			November Contract, Expiry:20 Nov,2015				
<div>Technical Commentary:</div> 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Domestic Market Weekly Outlook:

Wheat market is expected to trade steady to slightly firm in the third 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 and likely late sowing. 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 too may trade firm.

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			15-Oct-15	8-Oct-15	11-Sep-15	15-Oct-14
USA (Chicago)	2srw	-14.35	215.83	219.14	205.70	252.00
France	FCW3	#DIV/o!	169.25	168.25	153.00	0.00
Australia	ASW	-15.21	223.00	222.00	206.00	263.00
Russia	SRW	-15.81	197.00	186.00	180.50	234.00
India	Fob	#VALUE!	256.31	257.02	246.31	NA

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	16-Oct-15	9-Oct-15	15-Sep-15	16-Oct-14	
Indore	1661	1641	1545	1573	5.62
Bareilly	-	-	-	1543	#VALUE!
Delhi	1705	1702	1648	1620	5.26
Khanna	-	-	-	-	#VALUE!
Kanpur	1620	1610	1513	1535	5.54
Karnal	-	-	-	-	#VALUE!
Rajkot	1628	1583	1530	1555	4.72
Kota	1635	1611	1573	1605	1.89

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
			Today	Yesterday	Week Ago	Month Ago	Year Ago
Delhi	Lawrence Road	Mill Delivery	16-Oct-15	15-Oct-15	9-Oct-15	15-Sep-15	16-Oct-14
	Narella	Mill Quality Loose	1680	1685	1695	1645	1620
	Nazafgarh	Mill Quality Loose	1640	1635	1625	1600	1545
Gujarat	Rajkot	Mill Delivery	1620	1625	1630	1555	1550
	Ahmedabad	Mill Delivery	1650	1650	1580	1550	1530

	<i>Dhrol</i>	<i>Mill Quality Loose</i>	1720	1720	1640	1610	1625
	<i>Surat</i>	<i>Mill Delivery</i>	1685	NA	1700	1500	NA
M.P.	<i>Bhopal</i>	<i>Mill Quality Loose</i>	1760	1770	1680	1660	1650
	<i>Indore</i>	<i>Mill Delivery</i>	1525	1510	1500	1450	1425
Rajastha n	<i>Kota</i>	<i>Mill Quality Loose</i>	1710	1710	1690	1570	1550
		<i>Mill Delivery</i>	1550	1550	1520	1480	1460
U.P.	<i>Kanpur</i>	<i>Mill Delivery</i>	1625	1625	1600	1550	1550
	<i>Mathura</i>	<i>Mill Quality Loose</i>	1560	1555	1550	1530	1565
	<i>Kosi</i>	<i>Mill Quality Loose</i>	1530	1530	1525	1475	1475
	<i>Hathras</i>	<i>Mill Quality Loose</i>	1550	1560	NA	1490	1470
	<i>Aligarh</i>	<i>Mill Quality Loose</i>	1585	1580	1525	NA	NA
Punjab	<i>Khanna</i>	<i>Mill Quality Loose</i>	1500	1500	1510	1500	1450
	<i>Ludhiana (Jagraon)</i>	<i>Mill Delivery</i>	NA	NA	NA	1525	1450
Haryana	<i>Sirsa</i>	<i>Mill Delivery loose</i>	NA	NA	NA	NA	1560
	<i>Hodal</i>	<i>Mill Delivery</i>	1555	1550	1535	1510	1485
	<i>Karnal</i>	<i>Mill Quality Loose</i>	NA	NA	1700	1630	NA
	<i>Bhiwani</i>	<i>Mill Quality Loose</i>	NA	NA	NA	NA	NA
	<i>Panipat</i>	<i>Mill Quality Loose</i>	1600	1600	1580	1530	1530
Tamil Nadu	<i>Chennai</i>	<i>Mill Quality</i>	NA	NA	NA	NA	NA
	<i>Madurai</i>	<i>Mill Quality</i>	1850	1850	1850	1750	1775
	<i>Coimbatore</i>	<i>Mill Quality</i>	1907	1907	1907	1807	1832
Bihar	<i>Sitamari</i>	<i>Mill Delivery</i>	1907	1907	1907	1807	1832
	<i>Khagariya</i>	<i>Mill Delivery</i>	1540	1540	NA	1540	NA
			1650	1650	1650	1600	1600

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 2015 and Feb-2016. 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 for 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 currently the other bulk buyers for Russian wheat.

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

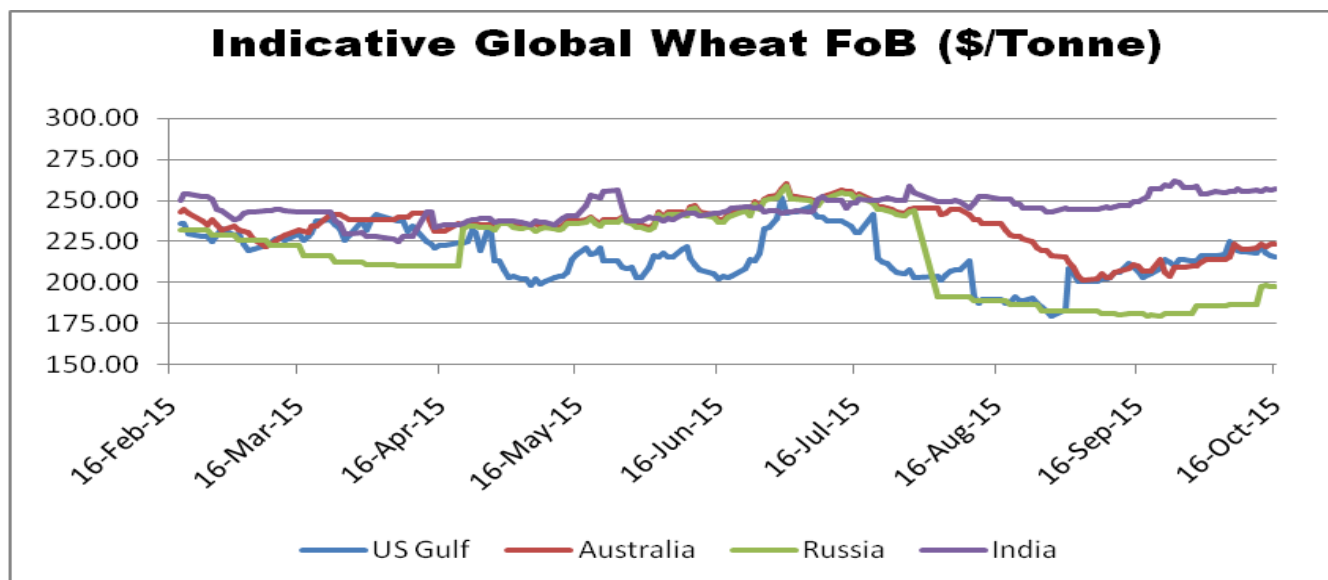
CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	15-Oct-15	8-Oct-15	14-Sep-15	15-Jul-15	14-Apr-15	15-Oct-14	
15-Dec	184.62	187.93	184.16	211.07	190.13	204.64	-9.78
16-Mar	187.56	190.68	187.37	213.92	195.64	210.06	-10.71
16-May	189.30	192.52	189.21	215.30	200.05	211.35	-10.43
16-Jul	190.59	193.99	190.59	215.20	201.06	208.96	-8.79
16-Sep	193.62	197.29	193.71	217.41	204.00	211.53	-8.47

CBOT Sep 15 Futures Chart:



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



International Weekly Outlook:

Global wheat market may move up due to rough weather conditions for winter wheat sowing in Black Sea Region, and US. Frost has damaged yield in Australia while Russia and Ukraine is facing dry weather where sowing of winter crops is under way. Demand for US wheat is expected to increase if dry weather in Black Sea region persists in the near term. Prices of wheat have recently been ruling lower due to weak export demand for U.S. wheat. Other suppliers were offering wheat at attractive price.

In the medium term prices would remain under pressure as IGC has revised wheat production estimate up by 7 MMT to 727 MMT. Ample stock is available in global wheat market and exporting countries are in urgency to offload their stock sooner than expected. US, France, Russia, Australia, Ukraine have ample marketable surplus.

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