

Wheat Domestic Market Fundamentals: -

Mostly cash market remained closed and no major /minor trading activities were reported during the week under review. Prices remained almost unchanged and weak futures may not allow cash market to trade firm in the short term. Wheat cash market may stay steady next week. Wheat sowing commences with recent rains and decreasing temperature in major producing region. However, sowing is running behind the normal schedule.

This year wheat sowing is running behind normal schedule due to moisture stress. As per latest update, wheat sowing has been reported at only 2.76 lakh ha so far against 4.47 lakh ha. last year till date(6th Nov-2016).wheat sowing will increase after two-three spells of rains expected after Diwali . Right now, farmers are not taking risk to sow wheat due to lower availability of soil moisture.

There was no import last week. As parity is not in favour of India, import volume would remain at low ebb. Export volume was registered at 521.80 tonne during the week ending 8th Nov at an average. FoB of \$307.05per tonne Still, there is no much scope for wheat export from India as domestic prices are ruling higher.

No fresh deal for import has been reported after the imposition of 25 percent duty on wheat. Higher import duty has made import unviable and import parity is almost over now. Notably, govt. had increased import duty from 10 percent to 25 percent in mid Sept to check the current flow of import. At current duty wheat costing at Cochin port from Australia, Russia and France may be around \$332.35, 297.49 and \$286.77 respectively per T.against this Indian wheat FoB is \$256 per T at Kandla Port.

The CACP (Commission for Agricultural Costs and Prices) has recommended to hike wheat MSP by 5.17 percent from Rs 1450 to Rs 1525 per qtl for wheat to be marketed in MY2016-17.In general Agriculture Ministry accepts CACP recommendation. However, ministry will prepare a cabinet note after taking suggestion from states and other ministries.

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.

New wheat would start hitting the market in another 4 months. This implies that the government would need to release around 10 to11 MMT wheat in next four months till march-2015 against available stock of 31.87 MMT. Hence supply side would remain normal despite firm sentiments and weak export demand.

Agriwatch preliminary estimate (based on pre sowing farmer's intention) shows slightly lower area coverage than last year. Area coverage may dip slightly in Rajasthan. Wheat sowing starts in Gujarat with decreasing temperature. Total area coverage may touch 304 lakh ha. Under normal condition wheat production is expected around 94 MMT in 2015-16 crop year.

Latest Developments In Domestic Markets :-

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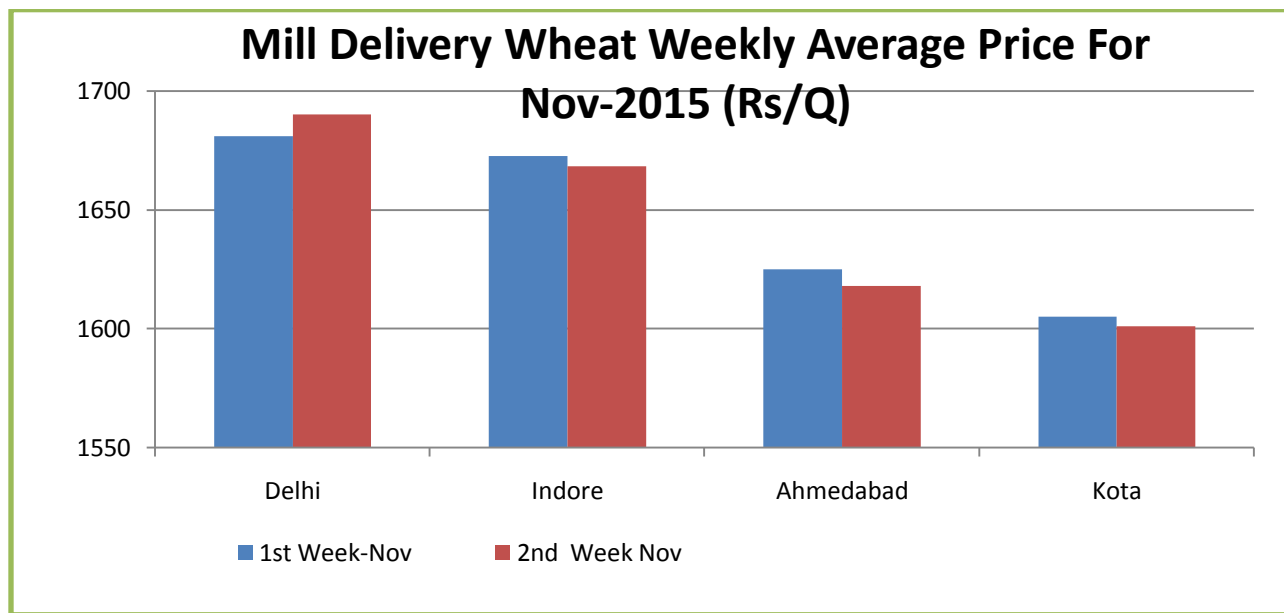
Outlook & Recommendation: -

Wheat cash market is expected to trade steady to slightly firm in the coming weeks. Tight supply side for FAQ/premium varieties may continue to lend support to market fundamentals. Fear of lower area coverage may lend support to the cash market fundamental.

Trade Call: Stake holders may go for selling wheat below 1654 for the target of 1645 in Dec Contract.

Weather Update: Weather Condition:

The cumulative rainfall in the country during the post monsoon season i.e. 01st October to 31st October, 2015 was 52% 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 61% in East & North East India, 56% in North West India, 73% in Central India and 25% in South Peninsula.

Wheat Weekly Ave Price Chart:


Wheat average prices could not sustain its uptrend week on week basis in all major bench mark markets and decreased slightly except Delhi during the week under review. Prices of wheat in Rajasthan, Gujarat and Madhya Pradesh have decreased. Agriwatch expects prices to stay steady in the near term while it may rule firm in the third week of Nov. due to expected demand from local millers and fear of delayed sowing. Rains in growing region are very crucial at this point of time and it may direct market in the weeks ahead.

Wheat Stock: As on 01st Oct, 2015:

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.10.2015:	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 01.10.2015. 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.

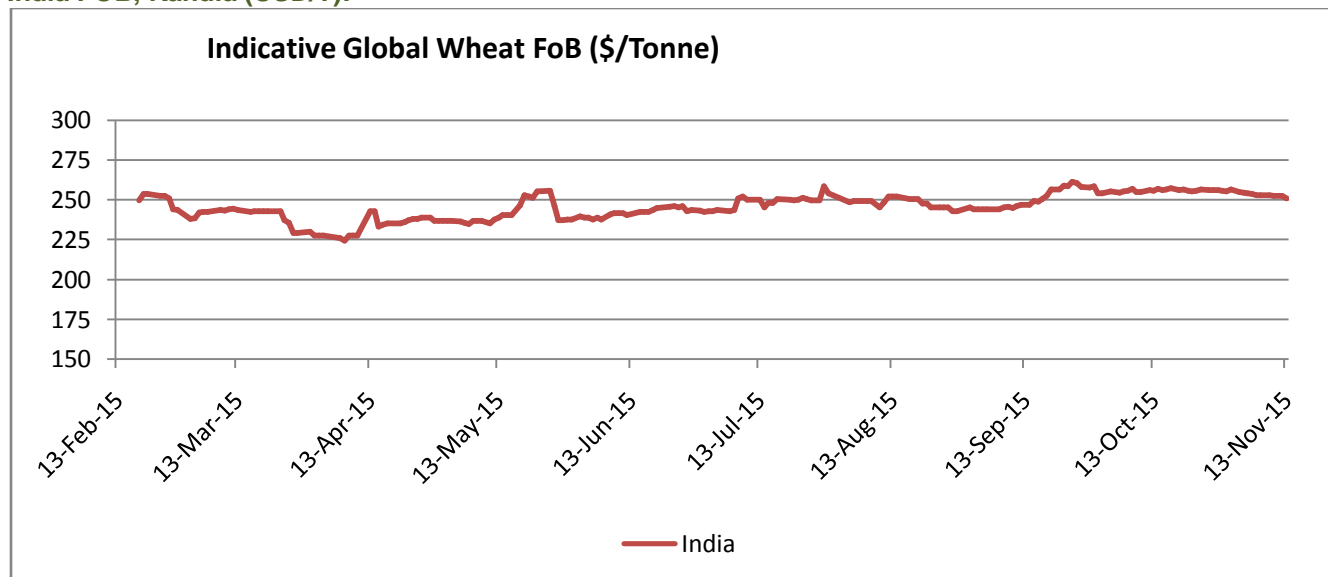
Weekly Price Trend:

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	14-Nov-15	7-Nov-15	14-Oct-15	14-Nov-14	
Indore	-	1613	1654	1590	#VALUE!
Bareilly	-	-	-	1560	#VALUE!
Delhi	1700	1698	1703	1633	4.10
Khanna	-	-	-	-	#VALUE!
Kanpur	-	1593	1620	1508	#VALUE!
Karnal	-	-	-	-	#VALUE!
Rajkot	-	1593	1609	1643	#VALUE!
Kota	-	1631	1628	1603	#VALUE!

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

FOB Value From Various Destinations At Kandla:

India FOB, Kandla (USD/T):

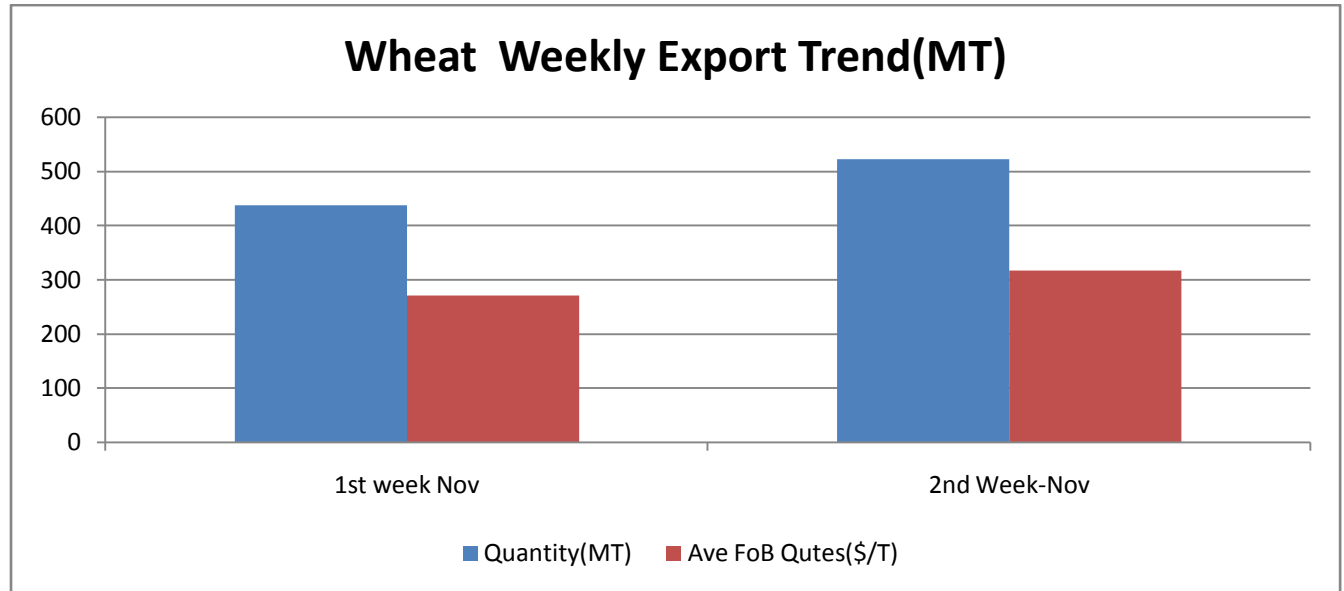


FoB Prices are of new wheat from Saurashtra Region to Kandla.

There is no parity from other States at current price. Wheat prices in domestic market have decreased slightly last week. However, any steep fall is unlikely. Despite slight decrease gap from global market continues to be around \$30 to \$35 per tonne. FoB quote may move up once again as wheat price in domestic market may increase..FoB quotes have shown slight weakness last week as the line chart shows.

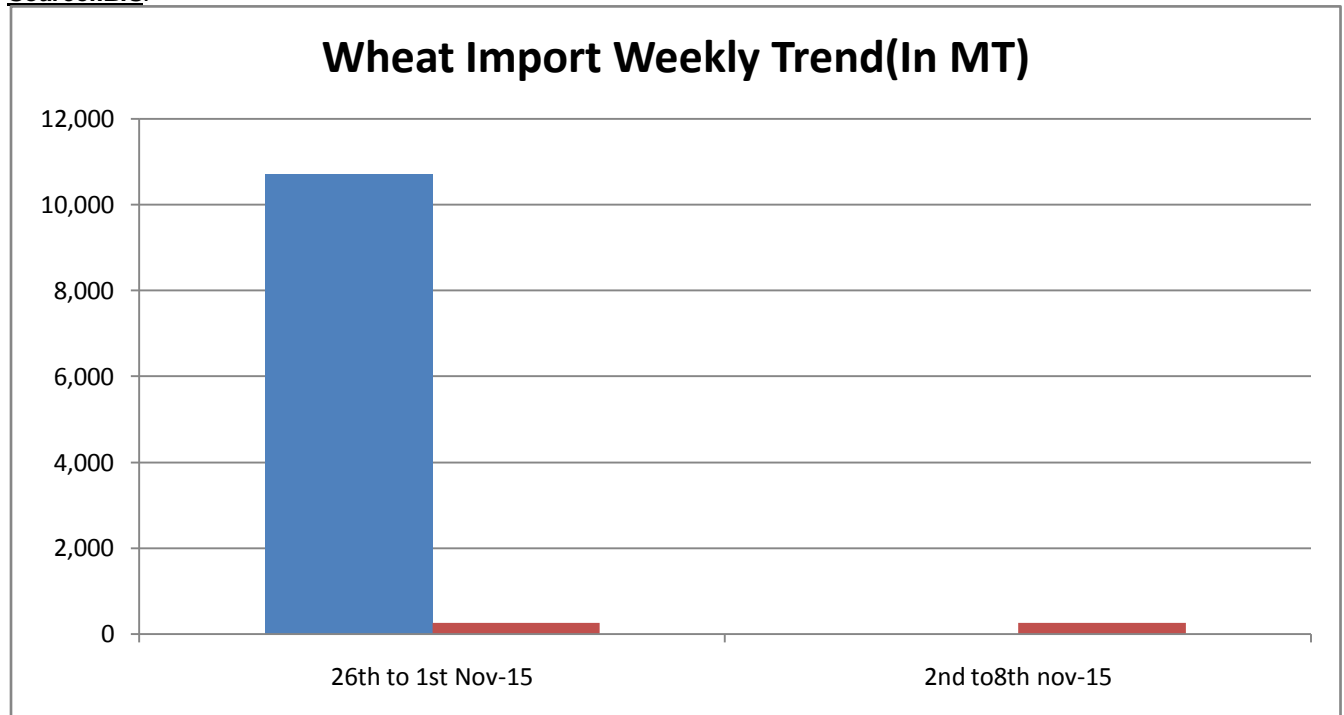


Wheat Export Weekly Data:



Wheat Import Weekly Data:

Source:IBIS.



Source:IBIS. In the first week no import was reported.

Wheat Futures:

Wheat Futures Contact: NCDEX Price Date:13.11.2015									
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Nov	-14	1644	1644	1591	1610	1330	-720	4040	-1675
15-Dec	-02	1659	1662	1651	1654	1630	-390	9310	-520
16-Jan	0	1688	1688	1688	1688	60	-45	1700	250

Wheat Technical Analysis:

Wheat – Technical Outlook

November Contract, Expiry:20 Nov,2015

Technical Commentary:

- Candlestick chart depicts weakness in the market.
- RSI moving down in neutral zone, denotes weakness in the market.
- Prices closed below 9 and 18 days EMAs caution to the bulls.
- The nearest by support is at 1638 while first resistant is 1655.

Wheat prices are likely to trade weak this week.

WHEAT DELHI 1512(NCWHZD5)2015/11/08 - Weekly B:1651.00 A:1660.00

O 1662.00 H 1668.00 L 1648.00 C 1652.00 ↓ V 3,230 | 2,490 -14 -0.84%

PAR(14) 1604.06 EMA(9) 1648.2 (18) 1648.2 (27) 1648.2 (50) 1648.2 (100) 1648.2

Strategy: Sell on Rise

			S2	S1	PCP	R1	R2
Wheat	NCDEX	Dec	1622	1638	1652	1658	1674
Weekly Trade Call			Call	Entry	T1	T2	SL
Wheat	NCDEX	Dec	Sell below	1654	1646	1642	1657

Domestic Market Weekly Outlook:

Wheat market is expected to trade steady to slightly firm in the second week of Nov due to delayed sowing and lower area coverage so far. However, any unexpected dip in cash market is unlikely as short supply of premium grade wheat and delayed sowing govt. could lend support to the cash market fundamentals 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 trade firm .

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			13-Nov-15	6-Nov-15	14-Oct-15	13-Nov-14
USA (Chicago)	2srw	-21.67	209.70	233.50	217.96	267.70
France	FCW3	-4.07	170.75	179.25	172.00	178.00
Australia	ASW	#VALUE!	NA	223.00	222.00	276.00
Russia	SRW	-13.92	201.00	198.00	198.00	233.50
India	Fob	#VALUE!	NA	NA	256.87	NA

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
			14-Nov-15	13-Nov-15	7-Nov-15	14-Oct-15	14-Nov-14
Delhi	Lawrence Road	Mill Delivery	1695	1690	1680	1690	1630
	Narella	Mill Quality Loose	1655	1660	1655	NA	1610
	Nazafgarh	Mill Quality Loose	1625	1625	1625	NA	1550
Gujarat	Rajkot	Mill Delivery	Closed	Closed	1560	1625	1665
	Ahmedabad	Mill Delivery	Closed	Closed	1600	1715	1710
	Dhrol	Mill Quality Loose	Closed	Closed	NA	1865	NA
	Surat	Mill Delivery	Closed	Closed	1630	1765	1730
M.P.	Bhopal	Mill Quality Loose	Closed	Closed	1520	1510	1450
	Indore	Mill Delivery	Closed	Closed	1660	1710	1590
Rajasthan	Kota	Mill Quality Loose	Closed	Closed	1500	1520	1480
		Mill Delivery	Closed	Closed	1600	1600	1580
U.P.	Kanpur	Mill Delivery	Closed	Closed	1565	1560	1570
	Mathura	Mill Quality Loose	Closed	Closed	1515	1530	NA
	Kosi	Mill Quality Loose	Closed	Closed	1550	1565	1510
	Hathras	Mill Quality Loose	Closed	Closed	1500	1580	1500
	Aligarh	Mill Quality Loose	Closed	Closed	1500	NA	1450
Punjab	Khanna	Mill Quality Loose	NA	NA	NA	NA	1485
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	NA	1560
Haryana	Sirsa	Mill Delivery loose	1575	1575	1570	1550	1495
	Hodal	Mill Delivery	NA	NA	NA	NA	NA

	Karnal	Mill Quality Loose	NA	NA	NA	NA	NA
	Bhiwani	Mill Quality Loose	1600	1600	1600	1590	1550
	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	Closed	Closed	1880	1850	1800
	Madurai	Mill Quality	Closed	Closed	1937	1907	1857
	Coimbatore	Mill Quality	Closed	Closed	1937	1907	1857
Bihar	Sitamari	Mill Delivery	Closed	Closed	NA	1540	1590
	Khagariya	Mill Delivery	Closed	Closed	1800	1650	1650

Weekly Parity Sheet: (As on 06 November, 2015)

Parity Calculation	Rajkot (FOR)	Kota	Khagari a	Indor e	Kosi	MSP	ECO.Cos t
Basic cost of wheat (Rs/ton)	16000	16000.00	17500	16600	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	18500	20050	18700	2200	16300	20400
Indian FOB (USD/MT)	253.08	281.20	304.76	284.24	#DIV/o!	#DIV/o!	#DIV/o!
Insurance @ 0.1%	0.25	0.28	0.30	0.28	#DIV/o!	#DIV/o!	#DIV/o!
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	271	299	323	302	#DIV/o!	#DIV/o!	#DIV/o!
INR Value 65.79 (06.11.2015)	65.79	65.79	65.79	65.79	0	0	0
Russian Wheat FOB (USD/MT)	198	198	198	198	198	198	198
Parity on FOB Basis (USD/MT)	-55	-83	-107	-86	#DIV/o!	#DIV/o!	#DIV/o!

As per latest update by IGC(International Grain Council) Wheat area for 2016 crop is likely to decline by 1.2 to 221 million ha, including spring sowing. However it is up from 5 years average acreage. Lower decrease in area despite dry weather in various parts of the world is mainly attributed to strong return prospects next year. The latest update has given respite from fear of lower production prospects. Previously, people were estimating considerable production loss due to concern about overly dry weather in the former Soviet Union and the US southern Plains.

Wheat Farmers world over are intending to cost cutting for wheat sowing due to lower wheat price this year. They use lower fertilizers under fear of likely dry spell. They think that wheat production in any major exporting or importing countries gets affected, price would shoot up once again. So they are cutting cost without lowering the area. They may choose to maximize returns by containing input costs. Lower application of fertilizers may impact wheat yield and it may boost up prices.

Jordan Ministry of Trade and Industry has brought 1 lakh tonne wheat through tender at \$234 a tonne cost and freight From Sarles. The schedule time of delivery is January-2016. Actually tough norms made sellers away from participating in regular tenders. The norm related to payments /and quality inspection had created higher risk to the sellers.

Hard red winter wheat area in US ,especially in the southern palins, may decrease this year due to dry spell while area under soft red winter wheat in mid west may improve slightly as it was unexpected lower last year. In Black Sea Region, where dryness is affecting newly-sown crops in some major wheat growing belts, winter wheat plantings will end up 1% higher because of improved domestic price. Seeding has almost finished now in Russia. Recent rains have increased better production prospects in Russia.

Wheat sowing condition in Europe is not normal so far. Poland has received too lower rains while southern parts have received too much rains. Marginal drop in wheat area is expected here too. Common wheat area may decrease around 2 percent while durum area may increase considerably this year. Ukraine too is facing and due to lower moisture level farmers are curtailing plantings. Overall pace of winter plantings has been much slower than normal.

Russia has cut taxes on wheat sale for export and it has encouraged export volume last week. Buyers are switching to Russia for wheat. Black Sea prices for Russian wheat with 12.5 percent protein content were up \$1 at \$198 per tonne on a free-on-board (FOB) basis. Russian wheat export in October may be around 21 MMT. Third grade wheat quote is hovering \$169.29 per T in the European parts of Russia.

Under new Tax formula exporters have to pay 50 percent of the custom price minus 6,500 roubles (around \$99)per T. However, it would not be less than 10 roubles per ton. market players have widely accepted this formula. Under previous formula exporters had to pay 50 percent of the customs price minus 5,500 roubles per ton but not less than 50 roubles per ton. It would encourage export volume in the rest of the year.

IGC has revised wheat production estimate down by 1 million tonne from 727 to 726 MMT. The recent decrease is mainly attributed to rough weather condition in Russia, Ukraine & EU for winter sowing. Global trade figure too has been revised up by 1 MMT from 149 MMT to 150 MMT. Consumption has been pegged 1 MMT lower to 718 MMT.

With favorable 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 despite ample EU and Black Sea Region Crop.

IGC Wheat Balance Sheet:

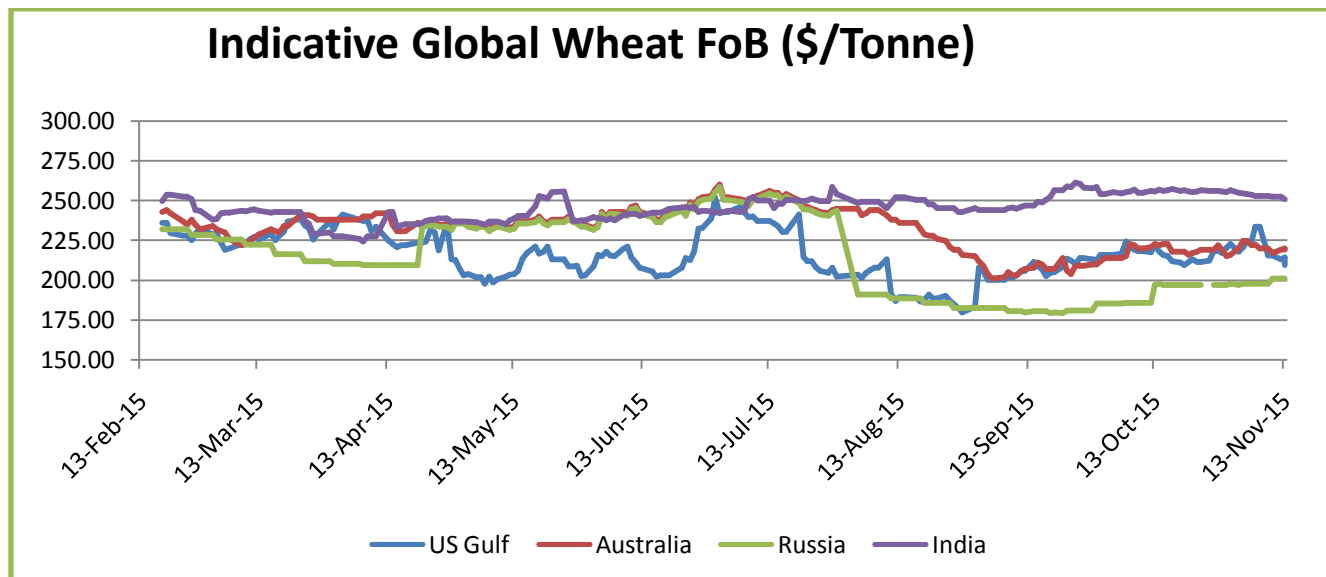
IGC Forecast(Fig-In MMT)	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
				24.09.2015	29.10.2015
Production	655	714	721	727	726
Trade	142	156	153	149	150
Consumptions	677	696	707	719	718
Carryover stocks	171	188	201	211	209
Y-O-Y change	-21	18	13	-	8
Major Export	50	54	63	71	67

- IGC has revised world wheat production forecast down by 1 MMT from 727 to 726MMT in end Oct ,2015.
- Global trade figure too has been revised up by 1 MMT from 149 MMT to 150 MMT.
- Consumption has been pegged 1 MMT lower to 718 MMT.
- World carry over stock has been decreased by 2 MMT to 209 MMT..
- Overall outlook for global wheat market remains bearish in the short to medium term.
- There is no hope for any smart recovery in the third quarter of the year despite rough weather condition for winter sowing in Russia , US and yield loss in Australia.

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
	13-Nov-15	6-Nov-15	14-Oct-15	13-Aug-15	14-May-15	13-Nov-14	
15-Dec	182.14	192.24	186.73	187.01	197.02	203.45	-10.47
16-Mar	182.87	193.07	189.67	189.12	202.53	219.52	-16.69
16-May	184.16	194.45	191.51	190.77	206.30	220.16	-16.35
16-Jul	184.62	194.72	192.89	191.97	208.50	218.05	-15.33
16-Sep	187.65	197.57	196.10	195.27	213.28	220.62	-14.95



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

International Weekly Outlook:

Global wheat market may recover once again due to rough weather conditions for winter wheat sowing in Black Sea Region, and US. Flooding may damage Australian hard wheat ready to be harvested. while. 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. Short term outlook seems firm.

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 despite concern over new crop.

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