

Wheat Domestic Market Fundamentals: -

Wheat cash markets stayed steady amid sluggish trading activities after Diwali. Futures declined due to nearby month settlement. Cash market is expected to trade steady to slightly firm in the short to medium term taking clue from lower area coverage so far. Wheat in cash market is being traded at Rs 1600 to Rs 1700 per qtl., depending upon source and quality of the grain. There is a fear in the market that delayed sowing may impact normal yield and reduce final size of the crop.

Wheat has been sown only in 18.65 lakh ha so far, almost lower by 65 % from previous year. It would be very difficult to cover normal area and late sowing may reduce yield of wheat crop considerably -it is feared now. Rainfall for the country as a whole has been 35 per cent below normal rainfall during October 1 to November 11. Coming after a 14 per cent deficient monsoon season (June-September), the possibility of a poor rabi crop, after lower kharif production, seems clear in the sight.

Wheat export during week ended 15 Nov-2015 was registered at 396.88 tonne at an ave FoB price of \$312.23 per tonne. The highest price realized for Durum variety (\$458.94 per tonne). Export volume decrease by 23.94 % from last week. There is no hope for higher export volume due to disparity. Indian wheat is around \$40 per tonne higher than other competitor's quotes. There was no import last week. Higher import duty (25%) remains restrictive for any fresh import deal.

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. Fresh import deal is possible only when global wheat price increases (unlikely) at least by 15 percent from current level.

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 to 11 MMT wheat in next four months till March-2016 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: -

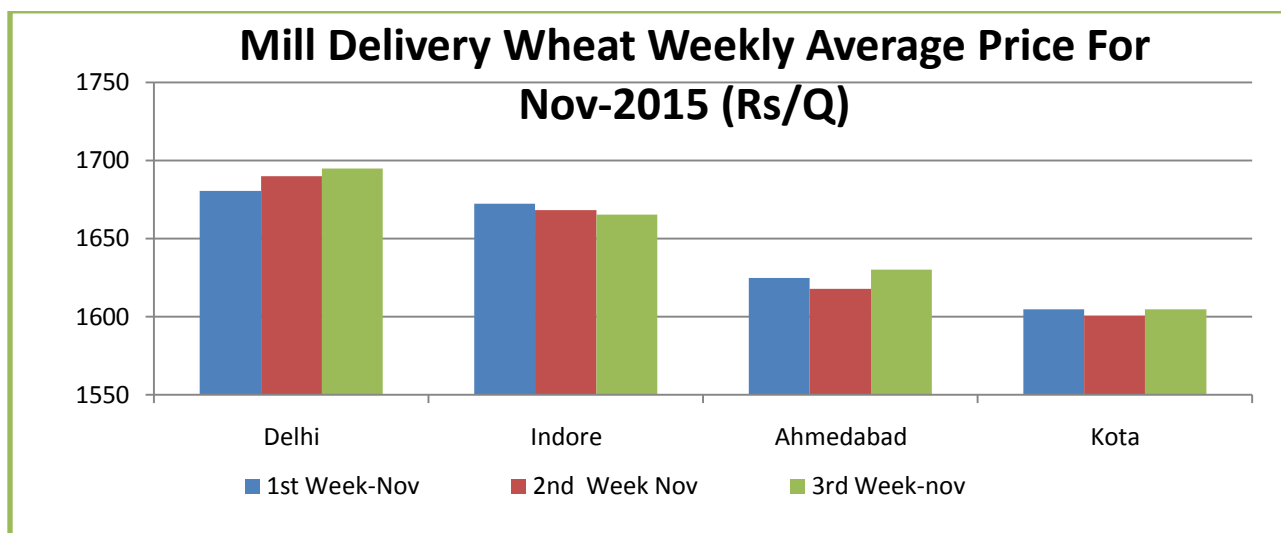
Wheat cash market is expected to trade steady to slightly firm in the coming weeks. Tight supply side for FAQ/premium varieties may continue to lend support to market fundamentals. Fear of lower area coverage too may support to the cash market fundamental.

Trade Call: Stake holders may go for buying wheat below 1640 for the target of 1670 in Dec Contract.

Weather Update: Weather Condition:

Rainfall for the country as a whole has been 35 per cent below normal during October 1 to November 11. Coming after a 14 per cent deficient monsoon season (June-September), the possibility of a poor rabi crop, after lower kharif production, seems clear in the sight.

Wheat Weekly Ave Price Chart:



Wheat average prices could not sustain its downward trend week on week basis in all major bench mark markets except Indore and increased slightly in major mandis during the week under review. Prices of wheat in Rajasthan, Gujarat and Rajasthan have increased. Agriwatch expects prices to stay steady in the near term while it may rule firm in the fourth 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.

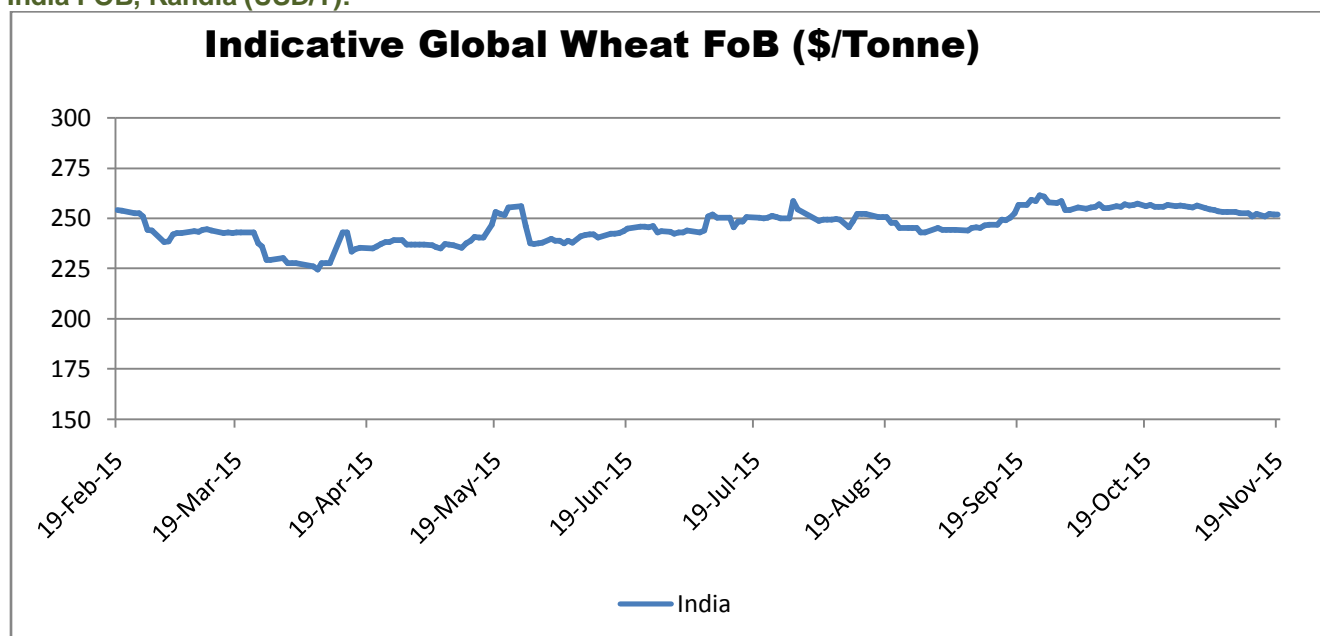
Weekly Price Trend:

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	20-Nov-15	13-Nov-15	20-Oct-15	20-Nov-14	
Indore	1624	-	1660	1570	3.44
Bareilly	-	-	-	1558	-
Delhi	1700	1699	1700	1636	3.91
Khanna	-	-	-	-	-
Kanpur	1618	-	1618	1508	7.29
Karnal	-	-	-	-	-
Rajkot	1602	-	1674	1623	-1.29
Kota	1646	-	1656	1595	3.20

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

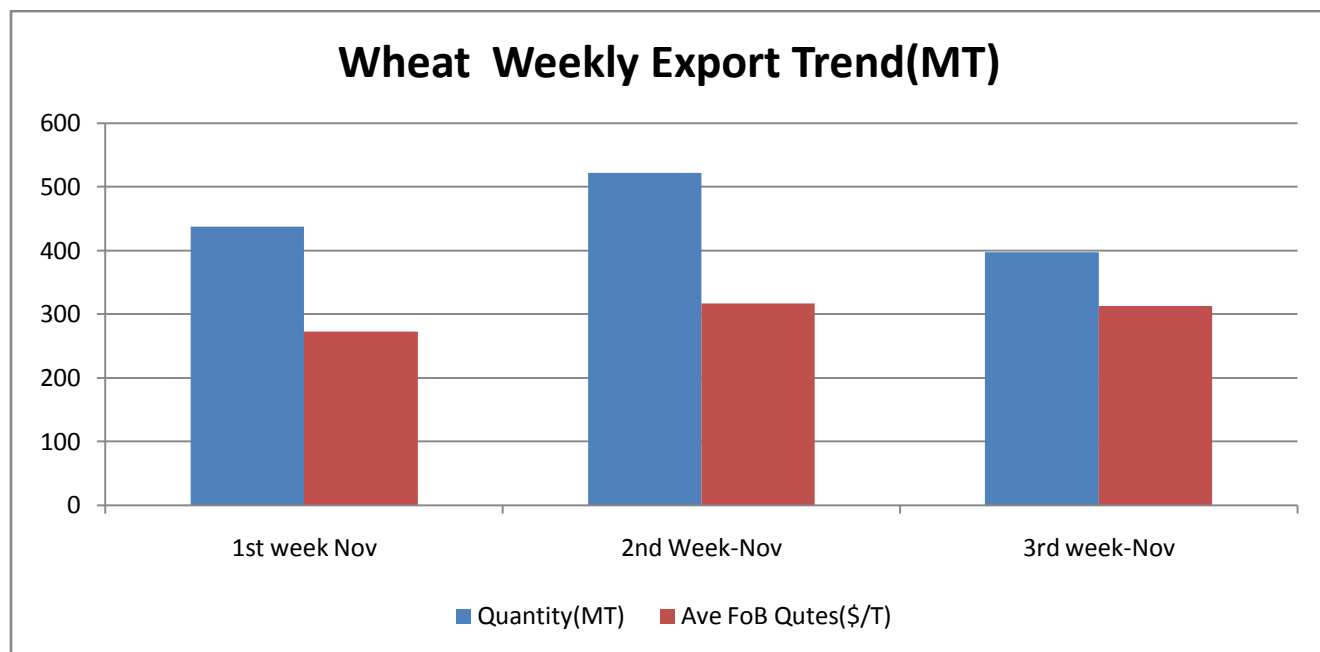
FOB Value From Various Destinations At Kandla:

India FOB, Kandla (USD/T):

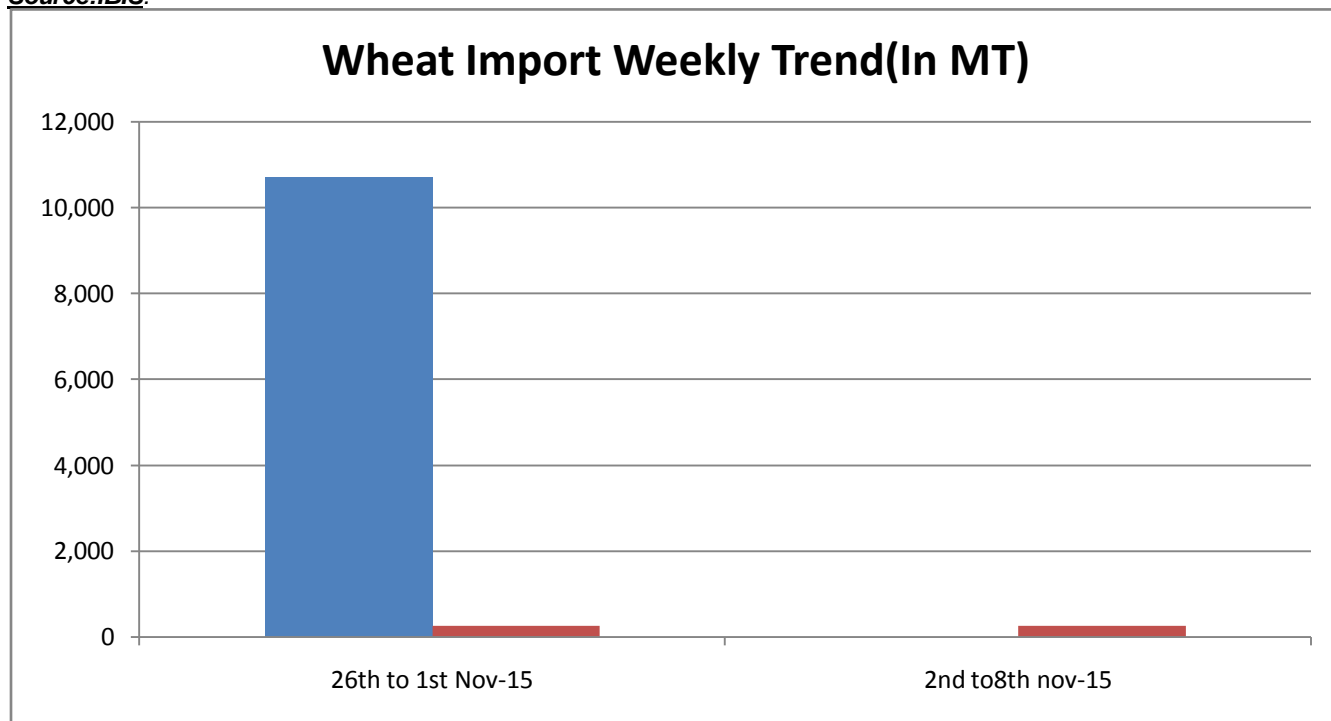


FoB Prices are of new wheat from Saurashtra Region to Kandla.

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 per the line chart.

Wheat Export Weekly Data:

Wheat Import Weekly Data:

Source: IBIS.



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

Wheat Futures:

Wheat Futures Contact: NCDEX Price							Date:20.11.2015		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Nov	-36	1603	1614	1603	1614	120	-40	90	-20
15-Dec	-3	1655	1655	1651	1654	450	350	2780	10
16-Jan	0	-	-	-	-	-	-	-	-

Wheat Technical Analysis:

Wheat – Technical Outlook


November Contract, Expiry:20 Nov,2015

Technical Commentary:

- Candlestick chart depicts firmness in the market.
- RSI moving up 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 1638 while first resistant is 1674.

Wheat prices are likely to trade firm this week.

WHEAT DELHI 1512(NCWHZ5)2015/11/15 - Weekly B:1648.00 A:1665.00
O 1617.00 H 1670.00 L 1617.00 C 1653.00 V 2,660 I 2,750 +1 +0.06%
PAR(14) 1612.30 EMA(9) 1649.2 (18) 1649.2 (27) 1649.2 (50) 1649.2 (100) 1649.2



RSI(14,MA(20)) 72.8601 72.8601

MACD(12,26,12) 0.000000 DAV 0.000000 DIF 0.000000

AW AGRIWATCH

Strategy:Buy on dip

			S2	S1	PCP	R1	R2
Wheat	NCDEX	Dec	1622	1638	1652	1674	1707
Weekly Trade Call			Call	Entry	T1	T2	SL
Wheat	NCDEX	Dec	Buy above	1640	1660	1670	1633

Domestic Market Weekly Outlook:

Wheat market is expected to trade steady to slightly firm in the fourth week of Nov due to delayed sowing and lower area coverage so far. However any bull run is unlikely Common grade wheat may trade steady while premium /milling grade may trade firm.Futures may trade firm.

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			19-Nov-15	12-Nov-15	20-Oct-15	19-Nov-14
USA (Chicago)	2srw	-18.89	207.80	214.20	211.72	256.20
France	FCW3	-1.28	173.50	172.75	167.75	175.75
Australia	ASW	-18.56	215.00	219.00	216.00	264.00
Russia	SRW	-19.27	199.00	201.00	197.00	246.50
India	Fob	#VALUE!	NA	NA	255.56	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
			20-Nov-15	19-Nov-15	13-Nov-15	20-Oct-15	20-Nov-14
Delhi	Lawrence Road	Mill Delivery	1695	1695	1690	1685	1630
	Narella	Mill Quality Loose	1660	1660	1660	1630	1600
	Nazafgarh	Mill Quality Loose	1615	1620	1625	1640	1550
Gujarat	Rajkot	Mill Delivery	NR	NR	Closed	1670	1650
	Ahmedabad	Mill Delivery	NR	NR	Closed	1750	1710
	Dhrol	Mill Quality Loose	1865	1700	Closed	1765	NA
	Surat	Mill Delivery	NR	NR	Closed	1770	1730
M.P.	Bhopal	Mill Quality Loose	1530	1525	Closed	1550	1450
	Indore	Mill Delivery	1661	1661	Closed	1710	1585
Rajasthan	Kota	Mill Quality Loose	1515	1510	Closed	1540	1475
		Mill Delivery	1600	1610	Closed	1600	1560
U.P.	Kanpur	Mill Delivery	1565	1560	Closed	1565	1570
	Mathura	Mill Quality Loose	1515	1515	Closed	1525	NA
	Kosi	Mill Quality Loose	1550	1550	Closed	1550	1490
	Hathras	Mill Quality Loose	NR	NR	Closed	NA	1510
	Aligarh	Mill Quality Loose	1500	1500	Closed	1500	NA
Punjab	Khanna	Mill Quality Loose	NA	NA	Closed	NA	1480
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	Closed	NA	1560
Haryana	Sirsa	Mill Delivery loose	1575	1575	1575	1560	1495
	Hodal	Mill Delivery	NA	NA	Closed	NA	NA



	Karnal	Mill Quality Loose	NA	NA	Closed	NA	NA
	Bhiwani	Mill Quality Loose	1600	1600	1600	1600	1540
	Panipat	Mill Quality Loose	NA	NA	Closed	NA	NA
Tamil Nadu	Chennai	Mill Quality	1915	1850	Closed	1850	1900
	Madurai	Mill Quality	1972	1907	Closed	1907	1957
	Coimbatore	Mill Quality	1972	1907	Closed	1907	1957
Bihar	Sitamari	Mill Delivery	NA	Closed	Closed	NA	1570
	Khagariya	Mill Delivery	1800	1800	Closed	1680	1650

Weekly Parity Sheet: (As on 20 November, 2015)

Parity Calculation	Rajkot (FOR)	Kota	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	NA	16000	18000	16610	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)	650	18500	20550	18710	2200	16300	20400
Indian FOB (USD/MT)	9.84	279.92	310.94	283.10	33.29	246.63	308.67
Insurance @ 0.1%	0.01	0.28	0.31	0.28	0.03	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	28	298	329	301	51	265	327
INR Value 66.09 (20.11.2015)	66.09	66.09	66.09	66.09	66.09	66.09	66.09
Russian Wheat FOB (USD/MT)	199	199	199	199	199	199	199
Parity on FOB Basis (USD/MT)	189	-81	-112	-84	166	-48	-110

International Market Updates:

Wheat prices in global market decreased around 5 % last week due to changed selling strategy of US wheat making it more competitive. However, Australian wheat price remains almost unaffected from the current plunge. US Department of Agriculture's World Agricultural Supply and Demand Estimates Report says that the current sales of US (wheat) exports is not fast enough to decrease inventories to desired level.

Ethiopia is ready to buy more wheat to avoid shortages due to recent drought. Lower rainfall during the spring and summer season have increased problems for Ethiopian govt. In total, around a million metric tonnes have been purchased so far. El Nino causes extremes such as scorching weather in some regions of the globe and heavy rains and flooding in others. Meteorologists expect El Nino to peak between October and January.

Russian Wheat Exporters have won two tenders of Egypt last week. Demand for Russian wheat has increased due to weak ruble. Wheat prices in local market remained almost flat and may stay steady despite higher demand. Black Sea prices for Russian wheat with 12.5 percent protein content were flat at \$198 per tonne on a free-on-board (FOB) basis. Domestic prices for third-class wheat added 75 rubles to 10,750 rubles (\$163) per tonne in the European part of Russia, on an ex-works basis.

Rough weather in Ukraine may impact wheat export in 2016-17 and it may decrease to 3.5 MMT. This year (2015-16) Ukraine may export 16.5 MMT wheat. Ukraine's Eastern, central and Southern regions are facing dry weather and farmers left 11 percent area out of normal unsowed. Production estimate has been cut by 8 percent to 17.5 percent.

IGC has made a downward revision of wheat production estimate 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. Upward revision of Global trade figure too has been by 1 MMT from 149 MMT to 150 MMT. Consumption has been pegged 1 MMT lower to 718 MMT.

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.

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 at \$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 rubles (around \$99) per T. However, it would not be less than 10 rubles 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 rubles per ton but not less than 50 rubles per ton. It would encourage export volume in the rest of the year.

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.

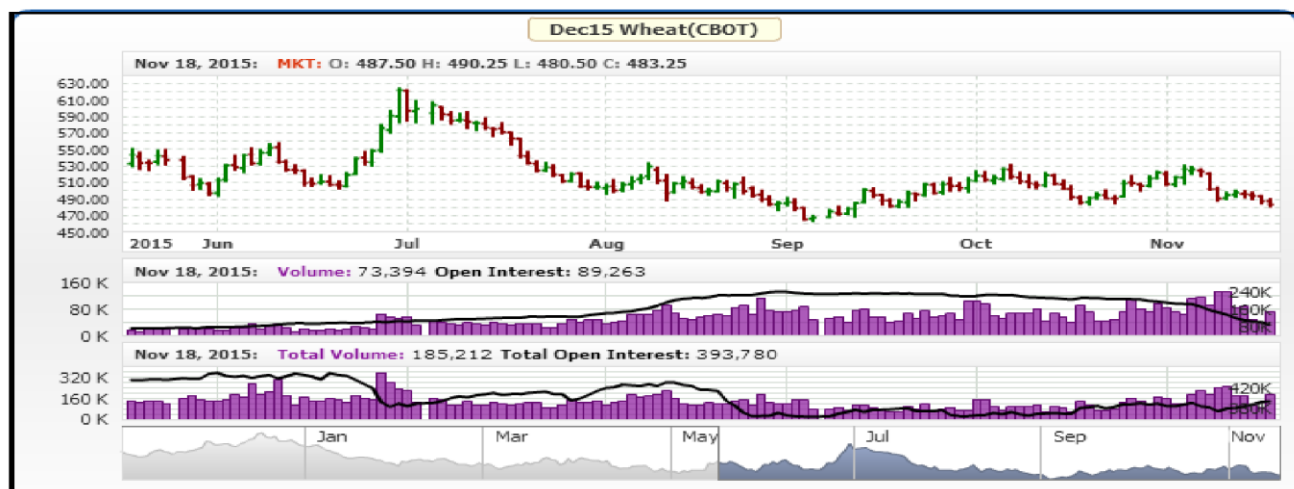
IGC Wheat Balance Sheet:

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.

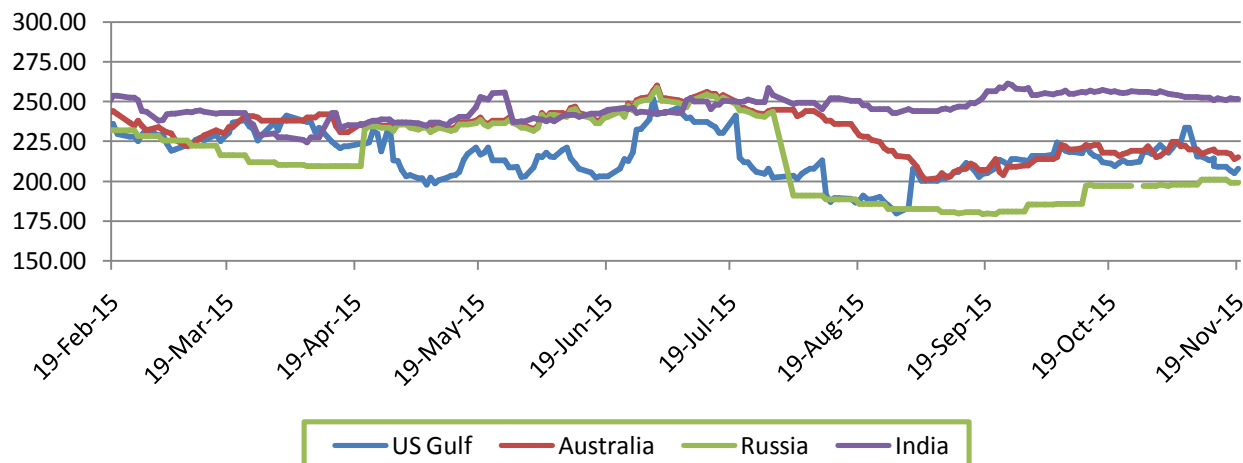
CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	18-Nov-15	12-Nov-15	20-Oct-15	19-Aug-15	20-May-15	19-Nov-14	
15-Dec	180.30	182.97	180.49	183.70	209.51	197.57	-8.74
16-Mar	180.85	183.79	183.06	185.08	213.92	198.76	-9.01
16-May	182.05	184.80	184.71	185.90	216.77	201.06	-9.46
16-Jul	182.97	185.26	185.63	186.82	218.33	203.36	-10.03
16-Sep	186.09	188.29	188.75	190.22	209.05	210.98	-11.80



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

Indicative Global Wheat FoB (\$/Tonne)



International Weekly Outlook::

Grain prices had another mixed month in October, with Rice rising strongly, Maize remaining flat and Wheat falling moderately while wheat responded to ample global supplies by falling by a further 3.1%, to US\$218/MT, bringing total losses for the year to 21.6%. Going forward, Wheat and Maize prices face significant headwinds from the record size of world grain stocks, coupled with strong harvests in the leading producers, which will weigh down on prices. Short term(Two weeks) outlook remains bearish.

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