

Wheat Domestic Market Fundamentals: -

Wheat cash markets decreased slightly under normal supply-demand side and improved sowing status throughout the country during the week under review. Local millers have started sourcing wheat from central pool stock and private trades too have started releasing stock taking advantage of higher prices for premium grade. Futures too have declined despite lower than normal area coverage so far. Cash market is expected to trade steady to slightly weak in the short to medium term as recovery in area coverage is expected to some extent by mid December.. Wheat in cash market is being traded at Rs 1600 to Rs 1750 per qtl., depending upon source and quality of the grain.

Wheat has been sown only in 117.32 lakh ha so far(till 27th Nov-2015), almost lower by 27.38 % from previous year till corresponding date..As sowing activities have increased, recovery in area to some extent is expected now. However, late sowing may reduce yield of wheat crop -it is feared now. Rainfall for the country as a whole has been 25 per cent below normal rainfall during October 1 to November 25,2015. 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.

Major wheat growing states like Punjab has covered 4.8 % lower area so far(26.16 against 27.16 lakh ha),Haryana has covered 22.73 % lower area(15.60 against 20.19 lakh ha),Rajasthan-21.22 % lower area(12.21 against 15.50 lakh ha),Madhya Pradesh lower by22.12%(23.69against30.42 lakh ha) and Uttar Pradesh lower by51.82 % (25.27 against 52.27 lakh ha so far. Situation is not normal at sowing front and despite likely recovery production is bound to decrease this year. Against normal year's ave of area(295.74 lakh ha),total area was registered at 117.32 lakh ha against 161.57 last year as on 27.11.2015.

Wheat export during week ended 22 Nov-2015 was registered at 303.16 tonne at an ave FoB price of \$312.63 per tonne. The highest price realized for Durum variety (\$346.43 per tonne). Export volume decrease by 23.61 % 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.

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.

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, Uttar Pradesh and Madhya Pradesh due to lower rainfall. Wheat sowing is almost 50% over now and it would continue one and a half month from now. Total area coverage may touch 29.5 million ha. Under prevailing condition wheat production is expected around 87 to 88 MMT. Agriwatch would revise preliminary estimate in January2016.

Latest Developments In Domestic Markets : -

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Outlook & Recommendation: -

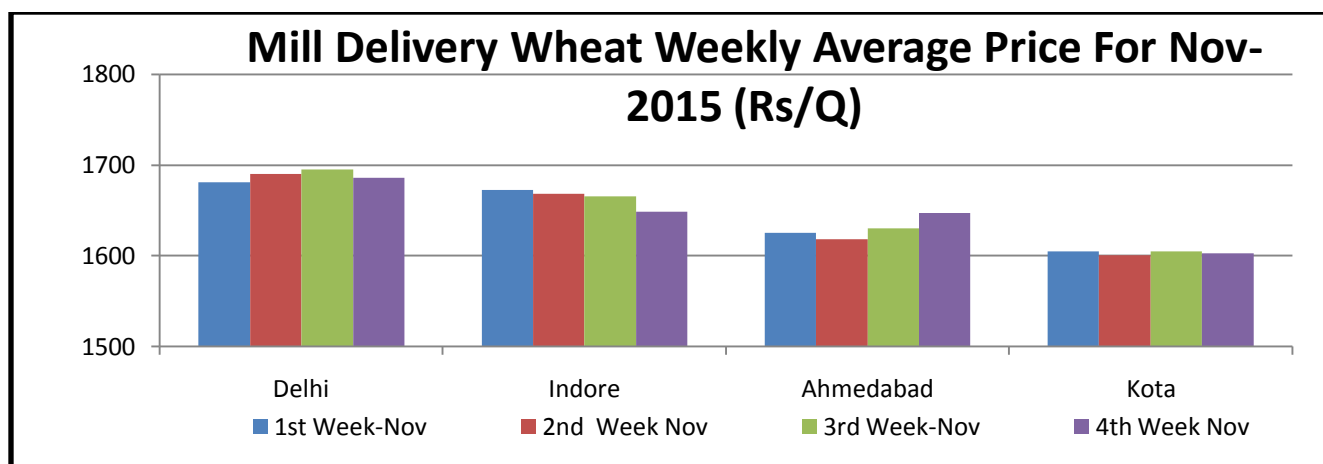
Wheat cash market is expected to trade steady to slightly weak in the coming weeks. Tight supply side for FAQ/premium varieties may continue to lend support to market fundamentals. However, fear of lower area coverage may restrict any unwanted decrease in the short term.

Trade Call: Stake holders may go for Selling wheat above1665 for the target of 1645 in Dec Contract.

Weather Update: Weather Condition:

Rainfall for the country as a whole has been 25 per cent below normal during October 1 to November 25. 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 uptrend week on week basis in all major bench mark markets except Ahmedabad where it increased considerably due to demand from south Indian millers during the week under review. Prices of wheat in Rajasthan, Delhi and Madhya Pradesh have decreased due to weak demand and better flow from central pool stock at regular interval. Agriwatch expects prices to stay steady in the near term while it may rule firm in the second -third weeks of Dec. due to fear of lower production and millers fresh buying interest. 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.

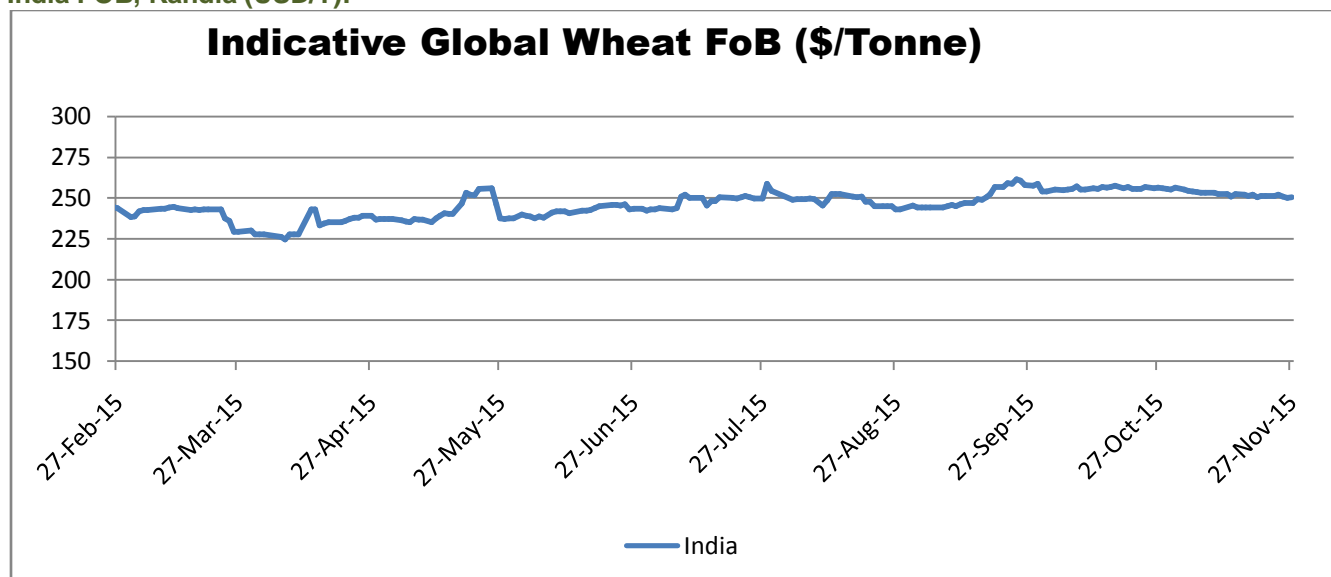
Weekly Price Trend:

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	26-Nov-15	19-Nov-15	24-Oct-15	25-Nov-14	
Indore	1625	1625	1651	1588	2.33
Bareilly	-	-	-	1551	-
Delhi	1700	1700	1700	1635	3.98
Khanna	-	-	-	-	-
Kanpur	1603	1610	1615	1503	6.65
Karnal	-	-	-	-	-
Rajkot	1597	1607	1651	1618	-1.30
Kota	1638	1641	1655	1600	2.38

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):

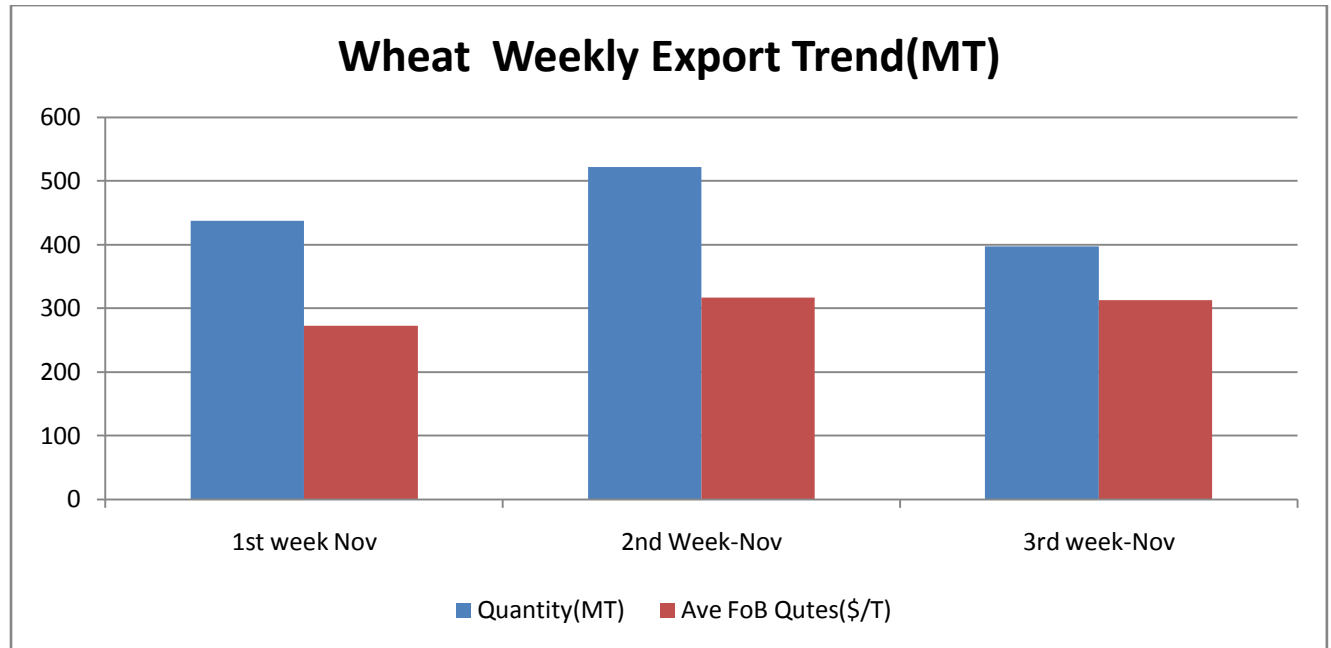


FoB Prices are of new wheat from Saurashtra Region to Kandla. (FOB quotes are not available from third/fourth week)

As export volume is negligible no FoB quotes were available for last two weeks. 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.

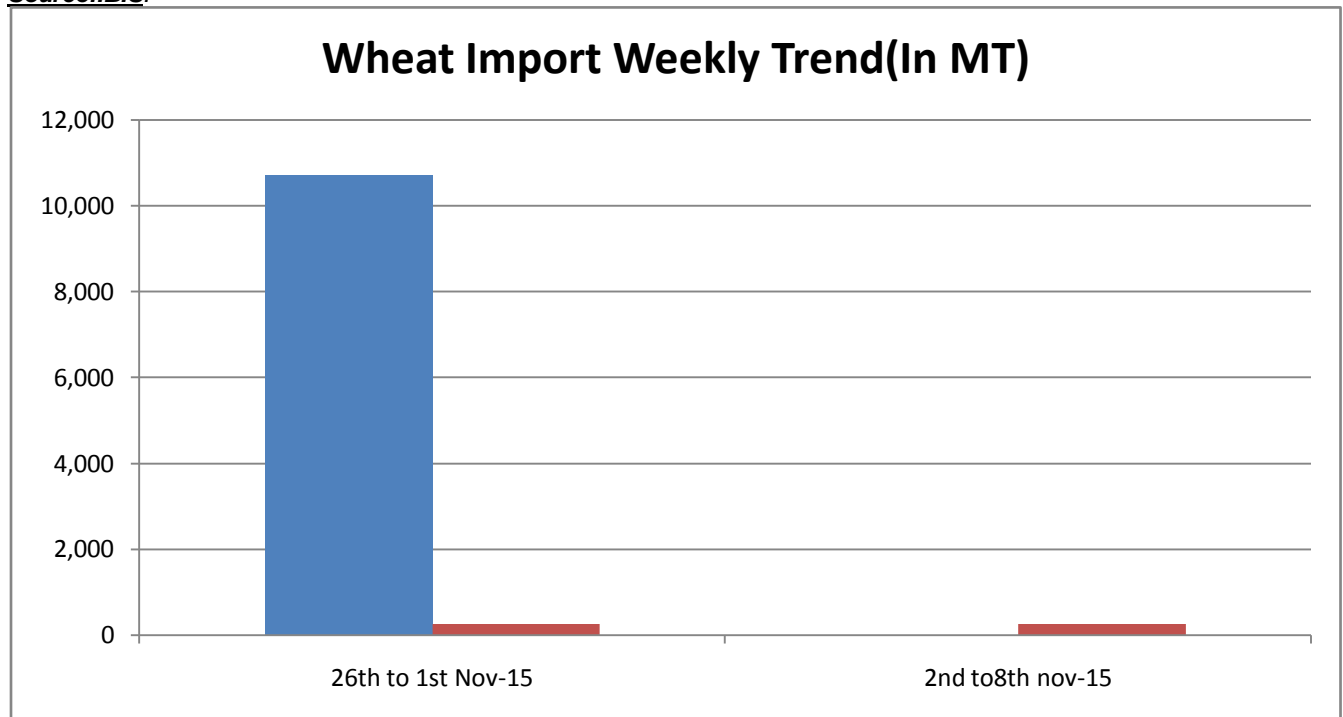


Wheat Export Weekly Data:



Wheat Import Weekly Data:

Source:IBIS.




Source:IBIS. No import was reported in the second /third week of Nov

Wheat Futures:

Wheat Futures Contact: NCDEX Price							Date:30.11.2015		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Nov	-	--	-	-	-	--	-	-	-
15-Dec	-5	1650	1656	1650	1656	30	-930	2890	2880
16-Jan	-	-	-	-	-	-	-	-	-

Wheat Technical Analysis:

Wheat – Technical Outlook			December Contract, Expiry:20 Dec,2015				
Technical Commentary: <ul style="list-style-type: none"> Last candlestick depicts weakness in the market. RSI is moving down in neutral zone. Prices closed below 9 and 18 days EMAs. Decrease in prices lower volume and OI indicates to short build up. <p>Wheat prices are likely to trade down on Monday's session.</p>							
Strategy: Sell On Rise			S2	S1	PCP	R1	R2
Wheat	NCDEX	Dec	1617	1644	1660	1672	1679
Weekly Trade Call			Call	Entry	T1	T2	SL
Wheat	NCDEX	Dec	Sell Below	1665	1650	1645	1670

Domestic Market Weekly Outlook:

Wheat market is expected to trade steady to slightly weak in the first week of Dec due to weak demand and recovery in area coverage so far. However, any bull run is unlikely. Common grade wheat may rule steady to weak while premium /milling grade may trade firm. Futures may trade weak in the short term..

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			25-Nov-15	18-Nov-15	26-Oct-15	25-Nov-14
USA (Chicago)	2srw	-20.16	203.27	205.10	218.22	254.61
France	FCW3	-18.13	187.35	183.67	191.34	228.85
Australia	ASW	-17.24	216.00	214.00	219.00	261.00
Russia	SRW	-20.45	196.50	199.00	197.00	247.00
India	Fob	-	NA	NA	256.35	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
			26-Nov-15	25-Nov-15	19-Nov-15	24-Oct-15	26-Nov-14
Delhi	Lawrence Road	Mill Delivery	1680	Closed	1695	1685	1630
	Narella	Mill Quality Loose	NR	Closed	1660	1655	Closed
	Nazafgarh	Mill Quality Loose	1615	Closed	1620	1625	Closed
Gujarat	Rajkot	Mill Delivery	1620	NR	NA	1670	1600
	Ahmedabad	Mill Delivery	1650	NR	NA	1720	1700
	Dhrol	Mill Quality Loose	NR	1810	1700	NA	NA
	Surat	Mill Delivery	1670	NR	NA	1765	1725
M.P.	Bhopal	Mill Quality Loose	1525	Closed	1525	NA	NA
	Indore	Mill Delivery	1650	1650	1661	1710	1585
Rajasthan	Kota	Mill Quality Loose	1510	Closed	1510	1550	NA
		Mill Delivery	1600	Closed	1610	1650	NA
U.P.	Kanpur	Mill Delivery	1570	Closed	1560	1565	1570
	Mathura	Mill Quality Loose	1520	1515	1515	1510	1500
	Kosi	Mill Quality Loose	1500	1515	1550	1550	1480
	Hathras	Mill Quality Loose	1525	NR	NA	1500	NA
	Aligarh	Mill Quality Loose	NA	Closed	1500	1500	NA
Punjab	Khanna	Mill Quality	NA	Closed	NA	NA	1500



		Loose					
	Ludhiana (Jagraon)	Mill Delivery	NA	Closed	NA	NA	1560
Haryana	Sirsa	Mill Delivery loose	1565	Closed	1575	1560	1500
	Hodal	Mill Delivery	NA	NA	NA	NA	NA
	Karnal	Mill Quality Loose	NA	NA	NA	NA	NA
	Bhiwani	Mill Quality Loose	1610	1630	1600	1600	1550
	Panipat	Mill Quality Loose	NA	NA	NA	NA	NA
Tamil Nadu	Chennai	Mill Quality	1850	Closed	1850	1880	NA
	Madurai	Mill Quality	1907	Closed	1907	1937	NA
	Coimbatore	Mill Quality	1907	Closed	1907	1937	NA
Bihar	Sitamari	Mill Delivery	1610	1600	NA	NA	NA
	Khagariya	Mill Delivery	1850	1850	1800	1660	1650

International Market Updates:

IGC wheat production estimate remained unchanged this month too at 726 MMT. However, trade estimate has been revised up by 1 MMT to 151 MMT. Consumption estimate has been raised from 718 to 720 MMT in the month of Nov-2015. Similarly carryout stock has been revised 1MMT down from 209 to 208MMT.

World wheat harvested area in 2016/17 seen falling by less than 1%. Northern hemisphere 2016/17 winter wheat sowing is almost over now. Conditions are almost favorable, however, concerns persist about dryness in some parts, especially in Ukraine. There is a common assumption based on spring wheat plantings and the next southern hemisphere crops, world may harvest at 221.8m ha, down almost 1% y/y.

Chicago wheat futures slid for a fourth session last week, dropping to the lowest in almost three months as plentiful global supplies and a lack of demand for expensive U.S. shipments dragged on prices. It is the comfortable wheat supply condition, U.S. and Europe are looking pretty good, despite, El Nino weather had triggered some worries but wheat supply outlook is very favourable

The U.S. Department of Agriculture reported weekly U.S. wheat export sales of 303,700 tonnes for 2015/16, below the range of trade estimates from 400,000 to 600,000 tonnes. Expectations of big wheat deliveries, starting with first notice day on Monday for December contracts, also weighed on the market, traders and analysts said. Estimates were for zero to 336 deliveries against Chicago wheat futures.

Argentina's incoming government will abolish export taxes on corn and wheat the day after it assumes office. The country collects a 23 percent export tax on wheat and a 20 percent levy on corn shipments. By some estimates, Argentina will have doubled wheat shipments and surpassed Russia and Brazil as a corn exporter by the end of Macri's four-year term.

The upturn in export demand was supporting French cash prices, with negative premiums in recent months virtually wiped out at northern ports. There is quite a bit of buying interest, especially for nearby deals, thanks to the lower euro. Activity in eastern France was picking up after rain in recent days helped ease restrictions on the nearby river Rhine that has seen low water levels, although more rain would be needed to maintain normal traffic..

Fundamental pressure noted from strength in the .DXY dollar, and ample world wheat stocks coupled with poor export demand for U.S. supplies. Egypt's main state wheat buyer bought 240,000 tonnes of French, Russian and Romanian wheat in a tender for Dec. 21-31. No U.S. wheat was offered during last week

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.

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 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.

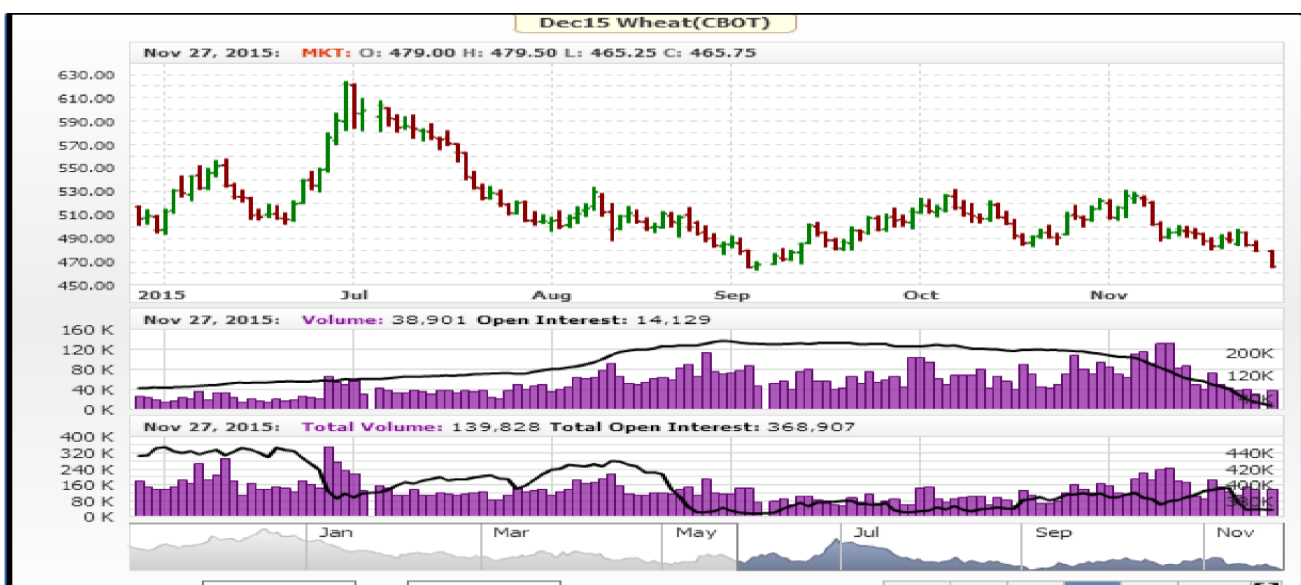
IGC Wheat Balance Sheet:

IGC Forecast(Fig-In MMT)	2012-13.	2013-14 Est	2014-15 F'cast	2015-16 Projection	
				29.10.2015	19.11.2015
Production	655	714	723	726	726
Trade	142	156	153	150	151
Consumptions	677	696	710	718	720
Carryover stocks	171	188	201	209	208
Y-O-Y change	-21	18	14	8	7
Major Export	50	54	63	67	69

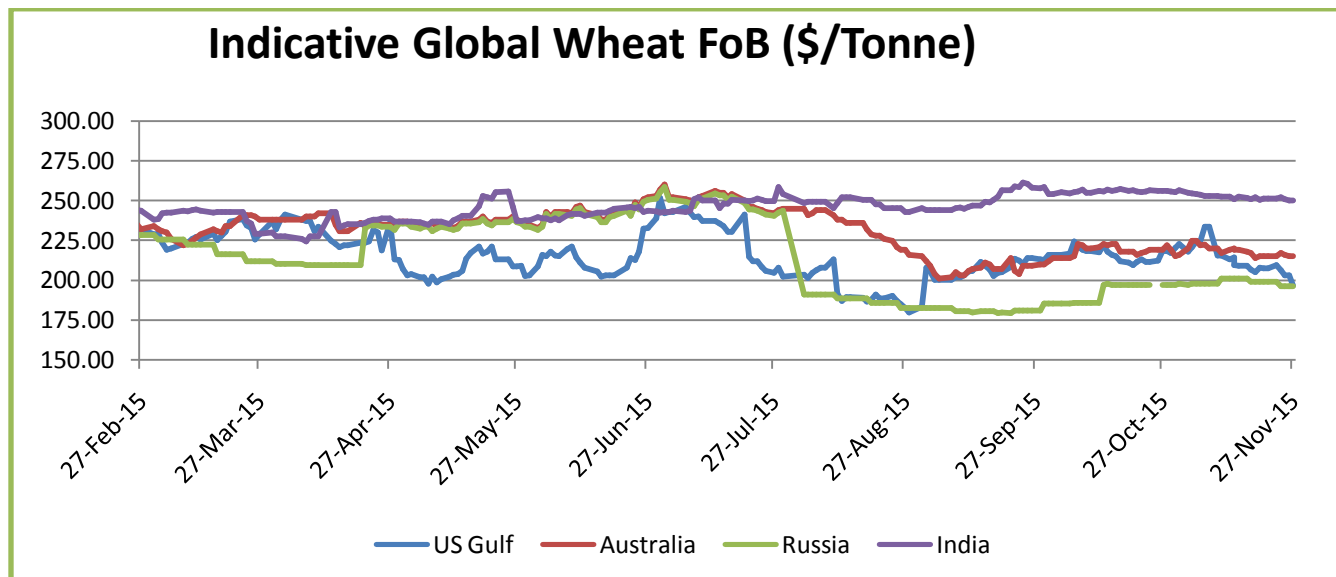
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CBOT FUTURES CONTRACT:

CBOT Futures Prices:(USD/T)							
CONTRACT MONTH	Today	Week Ago	Month Ago	3 Month Ago	6 Month Ago	Year Ago	% Change over previous year
	25-Nov-15	18-Nov-15	26-Oct-15	25-Aug-15	26-May-15	25-Nov-14	
15-Dec	176.08	177.55	187.01	183.52	189.49	216.58	-18.70
16-Mar	179.11	178.19	189.12	185.81	195.27	204.92	-12.60
16-May	180.94	179.75	190.77	187.10	198.67	207.49	-12.79
16-Jul	182.78	181.13	191.51	187.93	200.05	209.42	-12.72
16-Sep	186.18	184.34	194.63	191.23	202.90	212.27	-12.29



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



International Weekly Outlook:

Global wheat market continues to trade under pressure under ample global supply from major exporting countries. Argentina's incoming government will abolish export taxes on corn and wheat the day after it assumes office. The country collects a 23 percent export tax on wheat and a 20 percent levy on corn shipments. It will give edge to Argentina to offload more wheat in global market. Besides, Fundamental pressure noted from strength in the .DXY dollar, and ample world wheat stocks coupled with poor export demand for U.S. supplies. IGC has estimated 726 MMT wheat this season, that too would restrict uptrend. Except Ukraine crop conditions are good throughout the world. Australia, France, Canada, Russia and US too would try to sell their surplus. All these factors would keep global wheat market down in the third quarter.

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