

Wheat Domestic Market Fundamentals: -

Wheat cash markets traded mixed despite firm futures. Cash markets may trade firm on lower production prospects this year supported by higher MSP (Rs 1525 per qtl) for new crop. Sowing is on and wheat area may decrease by one million ha from last year (30.6 Million Ha.) It would reduce the final size of the crop in between 84 to 85 MMT this year. India produced 94.74 MMT wheat last year. Cash market is expected to trade steady to slightly firm in the short to medium term as recovery in area coverage is unlikely to match the last years level..Wheat in cash market is being traded at Rs 1650 to Rs 1770 per qtl., depending upon source and quality of the grain.

India exported 0.368 tonne wheat in Nov-2015 at an average price of \$301.45 per tonne. Total export from April to Nov-2015 was registered at 458339.39 tonne. Export opportunity is not in favor of India. There is no parity for wheat import/export and volume would remain negligible in the months ahead. Higher import duty (25%) remains restrictive for any fresh import deal.

Wheat sowing is lagging behind by 16.38 % in corresponding period last year till 11th Dec,2015. total area coverage has been reported at 202.28 lakh ha against 241.91 lakh ha. Uttar Pradesh ,Gujarat and Madhya Pradesh is running behing by 34.10,36.09 and 11.87 % from last year till 11 th December-2015.Situation is not normal at sowing front and late sowing may impact yield is obvious now.

Wheat sowing is in last phase in Punjab now. Punjab has covered 0.81 percent higher area this year. It has covered 33.47 lakh ha against 33.2 lakh ha last year.It is 96 percent of the normal. However Haryana is lagging behind by 2.75 % at coverage front so far. It has covered 22.94 lakh ha against 23.59 lakh ha last year till date.

Lower rainfall and lower availability of irrigational water have affected wheat sowing in Maharastra by 16 %.Howing sowing continues with decreasing temperature. Maharashtra has covered 3.5 lakh ha against 4.2 lakh ha last year.Some farmers have shifted to mustard and chana. Situation is not good in Rajasthan too at sowing front.Rajasthan has covered 22.29 lakh ha so far against25 lakh ha last year till date

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% complete and it would continue for 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 : -

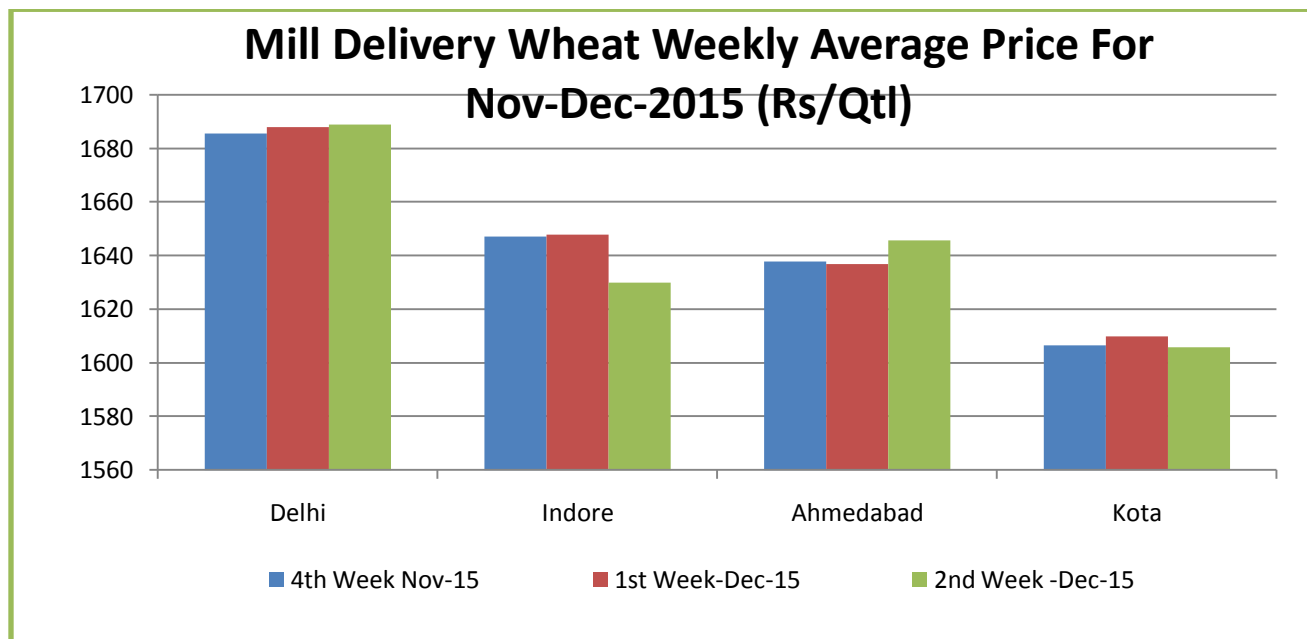
The area sown to wheat so far is lower by 16.58% than the year-ago period but there is no cause of concern at present-says agriculture minister. Sowing operations has picked up now with decreasing temperature in key growing states Rajasthan and Uttar Pradesh. It is almost over in Punjab. Wheat sowing normally continues till mid January and there was no need to worry about less area been planted during the start of the season as just 70 per cent of the total wheat area has been covered so far.It is difficult to predict weather conditions for three months down the line as we had unseasonal rains and hailstorms last year that impacted wheat output.

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. Lower area coverage and production prospect remains supportive to wheat market .

Trade Call: Stake holders may go for Buying wheat above1710 for the target of 1740 in Jan Contract.

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 moved slightly up week on week basis in Ahmadabad and Delhi while it decreased in Rajasthan and M.P. Prices are likely to firm up from current level as inner tone in the market turns firm once again on the back of lower production prospects this year. Slight dip in Kota and Indore is a temporary phenomenon and it may move up once again with south Indian millers demand expected in January-2016. Agriwatch expects prices to stay steady to slightly firm in the near to medium term. 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.

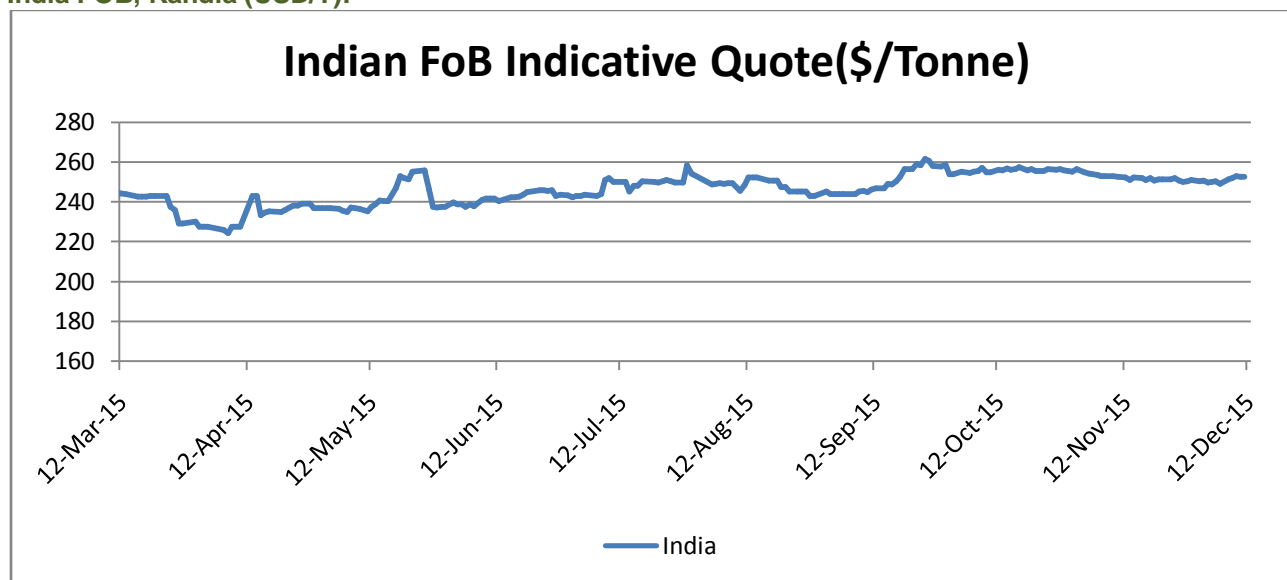
Weekly Price Trend:

NCDEX SPOT	Today	Week Ago	Month Ago	Year Ago	Change over previous Year %
	10-Dec-15	3-Dec-15	10-Nov-15	10-Dec-14	
Indore	1634	1626	-	1580	3.42
Bareilly	-	-	-	1565	-
Delhi	1700	1698	1697	1629	4.36
Khanna	-	-	-	-	-
Kanpur	1585	1585	1575	1520	4.28
Karnal	-	-	-	-	-
Rajkot	1582	1588	-	1580	0.13
Kota	1622	1635	-	1595	1.69

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:

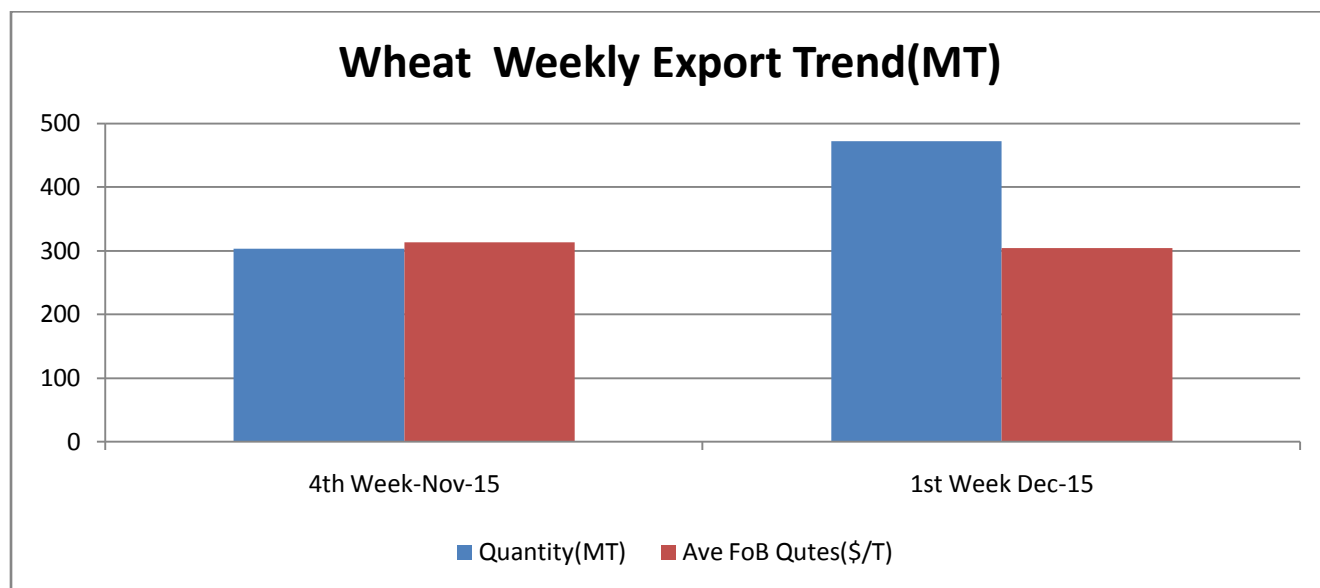
India FOB, Kandla (USD/T):



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.Fob has been calculated on price and is tentative. There is no parity from other States at current price. Wheat prices in domestic market have increased slightly last week. However, any spike is unlikely. Despite slight increase, 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 due to seasonal factors

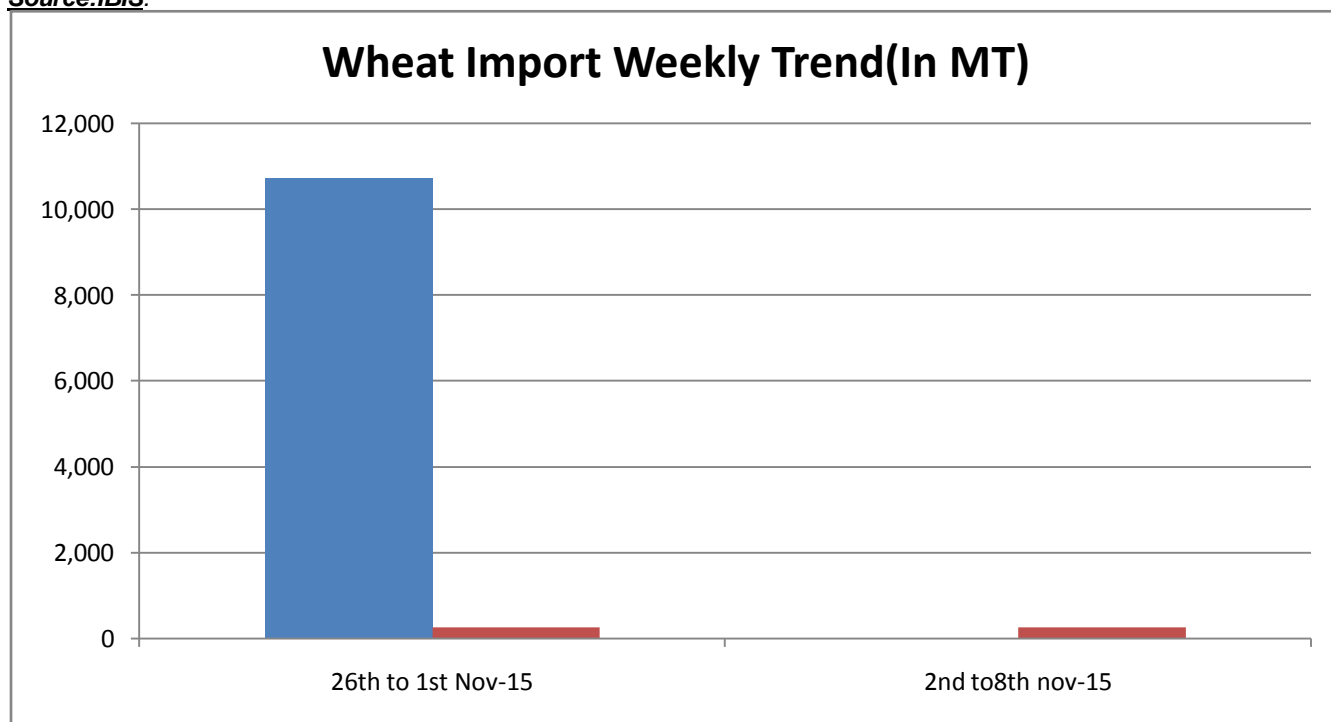
Wheat Export Weekly Data:



There is no export from last week due to disparity and lack of demand. Wheat export increased from 303 tonne to 471 tonne in the first week of December-2015. However, FoB quote decreased slightly during this period. It decreased from \$312 to \$303 per Tonne. More down ward correction is unlikely.

Wheat Import Weekly Data:

Source:IBIS.

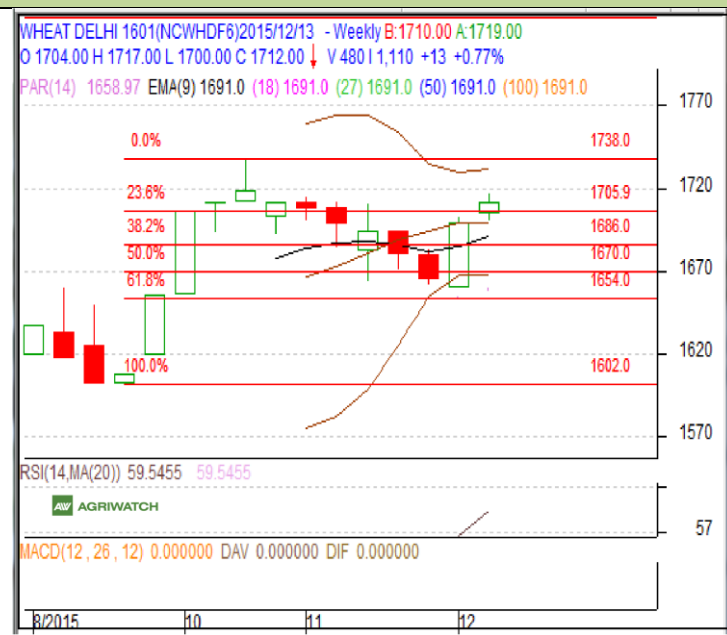


Source:IBIS. No import was reported in the first week of Dec-2015

Wheat Futures:

Wheat Futures Contact: NCDEX Price							Date:14.12.2015		
Contract Month	Ch from previous day	Open	High	Low	Close	Vol	Ch. From previous day	OI	Ch. From previous day
15-Dec	18	1710	1726	1690	1690	90	-	1710	-
16-Jan	13	1704	1717	1700	1712	480	-	1110	-
16-Feb	4	1726	1730	1730	1730	10	-	10	-

Wheat Technical Analysis:

Wheat – Technical Outlook			January Contract, Expiry: 20 January,2015				
<p>Technical Commentary:</p> <ul style="list-style-type: none"> Last candlestick depicts firmness in the market. RSI is moving up in neutral zone. Prices closed above 9 and 18 days EMAs. Increase in prices lower volume and OI indicates long build up. <p>Wheat prices are likely to trade up this week.</p>			 <p>WHEAT DELHI 1601(NCWHDF6)2015/12/13 - Weekly B:1710.00 A:1719.00 O 1704.00 H 1717.00 L 1700.00 C 1712.00 V 480 I 1,110 +13 +0.77% PAR(14) 1658.97 EMA(9) 1691.0 (18) 1691.0 (27) 1691.0 (50) 1691.0 (100) 1691.0 RSI(14,MA(20)) 59.5455 59.5455 MACD(12,26,12) 0.000000 DAV 0.000000 DIF 0.000000</p>				
Strategy: Buy on dip			S2	S1	PCP	R1	R2
Wheat	NCDEX	Jan	1690	1705	1712	1739	1765
Weekly Trade Call			Call	Entry	T1	T2	SL
Wheat	NCDEX	Jan	Buy above	1710	1730	1735	1704

Domestic Market Weekly Outlook:

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

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	Today	Week Ago	Month Ago	Year Ago
			9-Dec-15	2-Dec-15	9-Nov-15	9-Dec-14
USA (Chicago)	2srw	-22.72	207.49	200.33	215.60	268.50
France	FCW3	-20.78	183.18	NA	192.01	231.22
Australia	ASW	-18.01	214.00	215.00	220.00	261.00
Russia	SRW	-18.16	214.00	195.50	198.00	261.50
India	Fob	-	NA	NA	NA	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
			10-Dec-15	9-Dec-15	3-Dec-15	10-Nov-15	10-Dec-14
Delhi	Lawrence Road	Mill Delivery	1690	1690	1685	1690	1630
	Narella	Mill Quality Loose	1650	Closed	1660	1660	Closed
	Nazafgarh	Mill Quality Loose	1625	Closed	1630	1625	Closed
Gujarat	Rajkot	Mill Delivery	1590	1590	1600	Closed	1600
	Ahmedabad	Mill Delivery	1640	1640	1640	Closed	1690
	Dhrol	Mill Quality Loose	NR	1715	1745	Closed	NA
	Surat	Mill Delivery	1660	1660	1660	Closed	1710
M.P.	Bhopal	Mill Quality Loose	1510	1500	1520	Closed	1525
	Indore	Mill Delivery	1630	1630	1650	Closed	1600
Rajasthan	Kota	Mill Quality Loose	1525	1500	1510	Closed	1475
		Mill Delivery	1610	1590	1610	Closed	1560
U.P.	Kanpur	Mill Delivery	1565	1565	1565	1565	1565
	Mathura	Mill Quality Loose	1540	1530	1530	Closed	NA
	Kosi	Mill Quality Loose	1525	1525	1520	1550	1530
	Hathras	Mill Quality Loose	NR	NA	NA	1500	NA
	Aligarh	Mill Quality Loose	1510	NA	1530	Closed	NA
Punjab	Khanna	Mill Quality Loose	NA	NA	NA	Closed	1450
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	NA	Closed	1560
Haryana	Sirsa	Mill Delivery loose	1550	1550	1560	1570	1500
	Hodal	Mill Delivery	NA	NA	NA	Closed	NA
	Karnal	Mill Quality Loose	NA	NA	NA	Closed	NA
	Bhiwani	Mill Quality Loose	1625	1620	1625	1600	1560
	Panipat	Mill Quality Loose	NA	NA	NA	Closed	NA
Tamil Nadu	Chennai	Mill Quality	1875	1875	1850	Closed	1845
	Madurai	Mill Quality	1932	1932	1907	Closed	1902
	Coimbatore	Mill Quality	1932	1932	1907	Closed	1902
Bihar	Sitamari	Mill Delivery	1610	1610	1615	Closed	NA
	Khagariya	Mill Delivery	1800	1800	1800	Closed	1650

Progressive Wheat Sowing Till 11.12.2015				
	Normal	2015	2014	% ch
Andhra Pradesh				
Arunachal Pradesh				
Assam	0	0	0.16	-100
Bihar	57.8051	12.32	11.83	4.142012
Chhattisgarh	46.55493	0.5	0.42	19.04762
Goa				#DIV/0!
Gujarat	38.69995	4.62	7.23	-36.0996
Haryana	91.57685	22.94	23.59	-2.7554
Himachal Pra.	95.61085	3.42	3.41	0.293255
J&K	67.5583	1.97	1.89	4.232804
Jharkhand	21.62942	0.3	0.5	-40
Karnataka	60.9858	1.46	1.43	2.097902
Kerala				#DIV/0!
Madhya Pradesh	75.45688	36.5	41.42	-11.8783
Maharashtra	34.37561	3.507	4.22	-16.8957
Manipur				#DIV/0!
Meghalaya				#DIV/0!
Mizoram				#DIV/0!
Nagaland				#DIV/0!
Odisha				#DIV/0!
Punjab	95.17175	33.47	33.2	0.813253
Rajasthan	81.46037	22.29	25	-10.84
Sikkim				#DIV/0!
Tamil Nadu				#DIV/0!
Telengana				#DIV/0!
Tripura				#DIV/0!
Uttar Pradesh	56.46074	54.89	83.3	-34.1056
Uttarakhand	79.98918	2.958	2.957	0.033818
West Bengal	34.28928	1.1	1.3	-15.3846
Pondicherry				#DIV/0!
Others	18.26923	0.038	0.056	-32.1429
All-India	68.40009	202.283	241.913	-16.3819

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 which had triggered some worries.

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 supported 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 which picked 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.

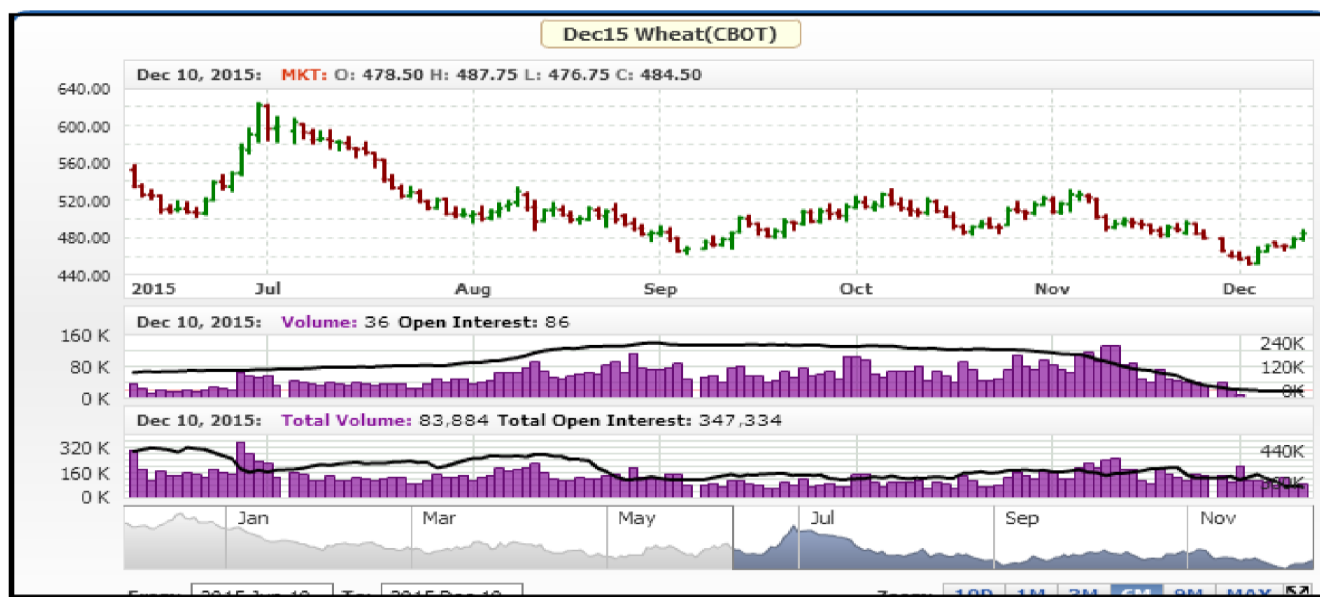
IGC Wheat Balance Sheet:

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

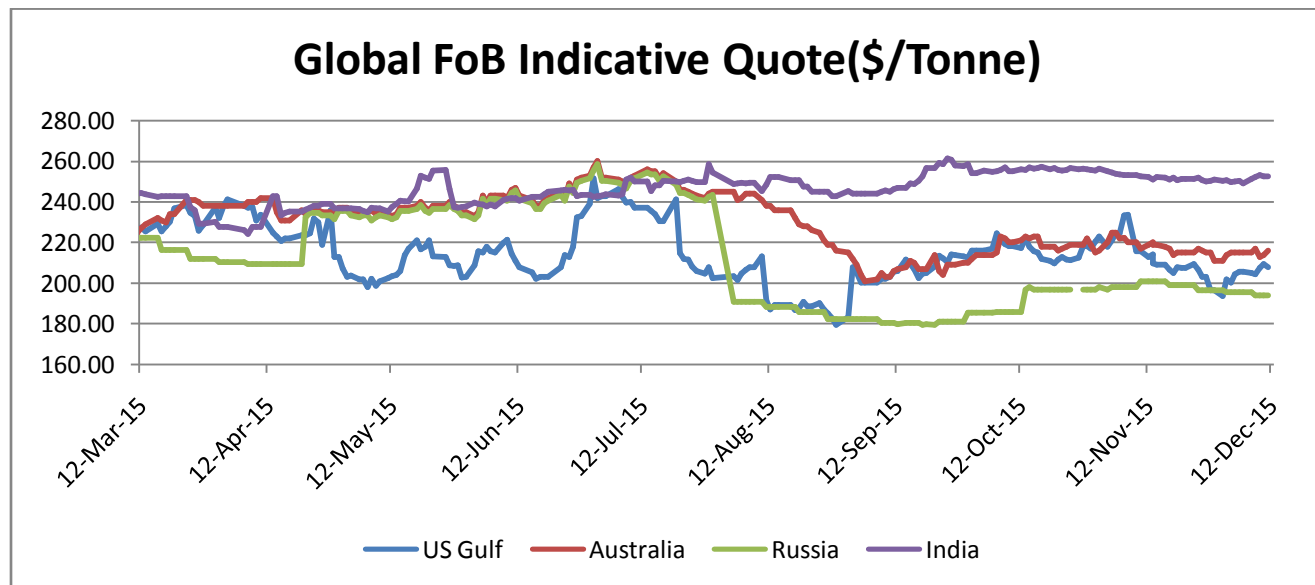
- IGC wheat production estimate remained unchanged this month too at 726 MMT.
- However, trade estimate has been revised up by 1 MMT to 151 MMT.
- Consumption estimate has been raised from 718 to 720 MMT in the month of Nov-2015.
- Similarly carryout stock has been revised 1MMT down from 209 to 208MMT.

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
	10-Dec-15	3-Dec-15	10-Nov-15	9-Sep-15	10-Jun-15	10-Dec-14	
15-Dec	178.01	170.75	184.34	173.50	196.56	198.12	-10.15
16-Mar	182.05	175.89	185.72	176.44	201.24	213.73	-14.83
16-May	184.07	178.56	187.28	178.37	204.46	214.93	-14.36
16-Jul	185.54	181.04	187.65	180.12	206.48	216.12	-14.15
16-Sep	189.12	184.80	190.59	183.61	191.53	219.25	-13.74



International FOB prices Weekly price Movement (USD/T)



International Weekly Outlook::

Global wheat markets are expected to reel under pressure due to improved weather and crop conditions in US and Black Sea regions. Besides, Argentina is ready to abolish export tax(23 %) on wheat soon that would enabled it to double its export volume. Australia, Canada and US have ample marketable surplus and they all compete with one another. However, wheat market has touched its bottom now and more dip from current level is unlikely. If crop loss occurs in any major exporting countries in next two three months, it may encourage global wheat price once again. December and January remain crucial for standing crop in the field. Overall outlook is bearish. Any spike at present in wheat prices is unlikely.

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