

Domestic Market Updates:

In a STC Wheat export tender of 70,000 MTs from Chennai port 8 bids were received. Highest bid was by Alghurair at \$283.60/MT FOB for 25,000 tonnes followed by Glencore Grain at \$282.69/MT FOB for 55,000 tonnes and Amira at \$281.75/MT FOB for 25,000 tonnes.

Indian traders have sold 25,000 MT of 2014-15 crops in forward contract at USD 270/MT FOB for April-May delivery, According to the traders.

In a STC Wheat export tender of 1, 60,000 MTs from Mundra port 7 bids were received. Highest bid was by Vitol at \$282.62/MT FOB for 50,000 tonnes followed by Louis Dreyfus at \$280.62/MT FOB for 40,000 tonnes and Emmsons at \$279.50/MT FOB for 40,000 tonnes.

According to traders, an Omani mill has bought 40,000 MT of 11.50% Protein Indian milling wheat for 20 Jan to 20 Feb delivery at USD 300/MT CNF.

According to IBIS (provisional data), export of wheat in the month of December was 3.83 Lakh tones which is around 23% less than last year at the same month, which was 4.96 Lakh tones in December 2012.

With favorable weather, assured price and area shifting from other crops to wheat area under wheat coverage crossed record at 302.09 lakh ha. against 286.38 last year till 1st January. It is almost 5 percent higher than last year. Market participants expects higher than targeted production of 92.50 million tonne this year.

As sowing of late varieties are still on In Uttar Pradesh, Bihar and Madhya Pradesh, wheat area is expected to cross 305 lakh ha. by the end of January. Crop condition is good to excellent throughout the country. However, spread of yellow rust in Jamnagar remains a major cause of concern as it may reduce the final size of the crop.

Area in Uttar Pradesh has crossed 9.68 million ha. against the target of 9.73 million ha., Madhya Pradesh is lagging behind the target of 5.9 million ha., wheat coverage area has been registered here at 5.39 million ha. so far. As sowing still continues, target is likely to be met in next two -three weeks from now. Area under wheat in Bihar has been reported at 2 million ha. against the target of 2.32 million ha.

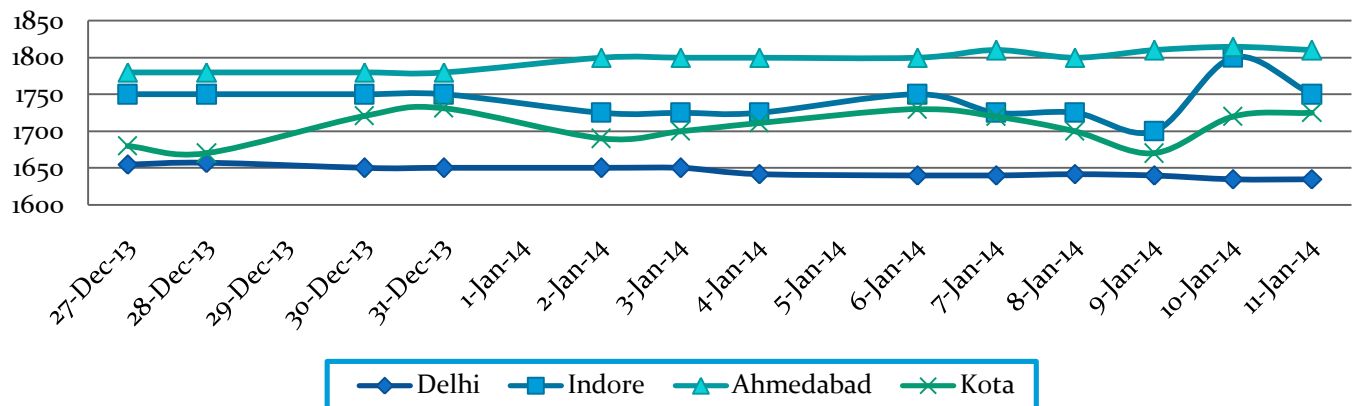
Weather Watch: (Source-IMD)

- Rain/snow would occur at isolated places over Jammu & Kashmir during next 48 hours and over Himachal Pradesh and Uttarakhand during next 24 hours.
- Rain/thundershowers would occur at isolated places over south Tamilnadu during next 24 hours and increase thereafter.
- Rain/thundershowers would occur at a few places over Andaman & Nicobar Islands during next 24 hours and isolated thereafter.
- Rain/thundershowers would occur at isolated places over Kerala from 14th and over Lakshadweep from 15th.

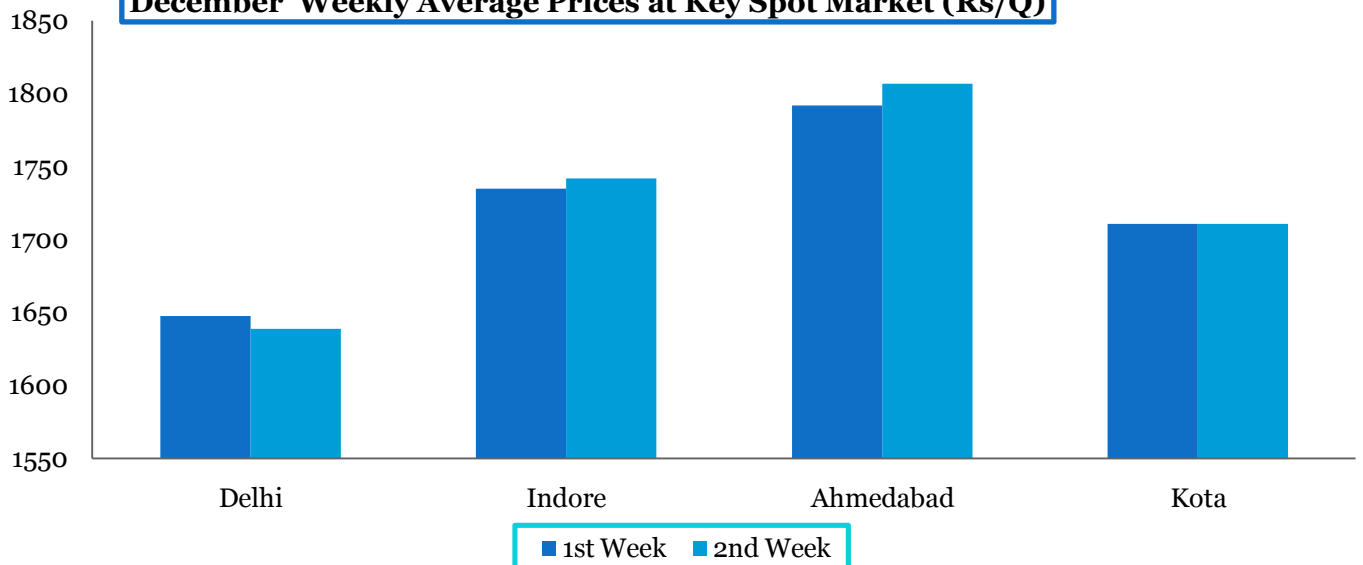
- Weather would be mainly dry/dry over rest of the country.
- No significant change in minimum temperatures over northwest and adjacent central & east India.
- Dense to moderate fog would occur at a few places over north Madhya Pradesh, Uttar Pradesh, Bihar, SubHimalayan West Bengal, Assam and Tripura and moderate fog at a few places over Haryana & Delhi, Jharkhand and Rajasthan.

Weekly Prices Comparison of key Domestic Spot Market:

December Weekly Average Prices at Key Spot Market (Rs/Q)



December Weekly Average Prices at Key Spot Market (Rs/Q)



Key spot wheat mill delivery prices traded steady to moderately weak owing to increased OMSS release.

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.12.2013:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.13	0.00	8.13
NORTH EAST ZONE	0.37	0.00	0.37
NORTH ZONE	90.02	141.30	231.32
SOUTH ZONE	4.69	0.00	4.69
WEST ZONE	18.92	44.43	63.35
TOTAL	122.13	185.73	307.86

(Figures in Lakh Tonnes)

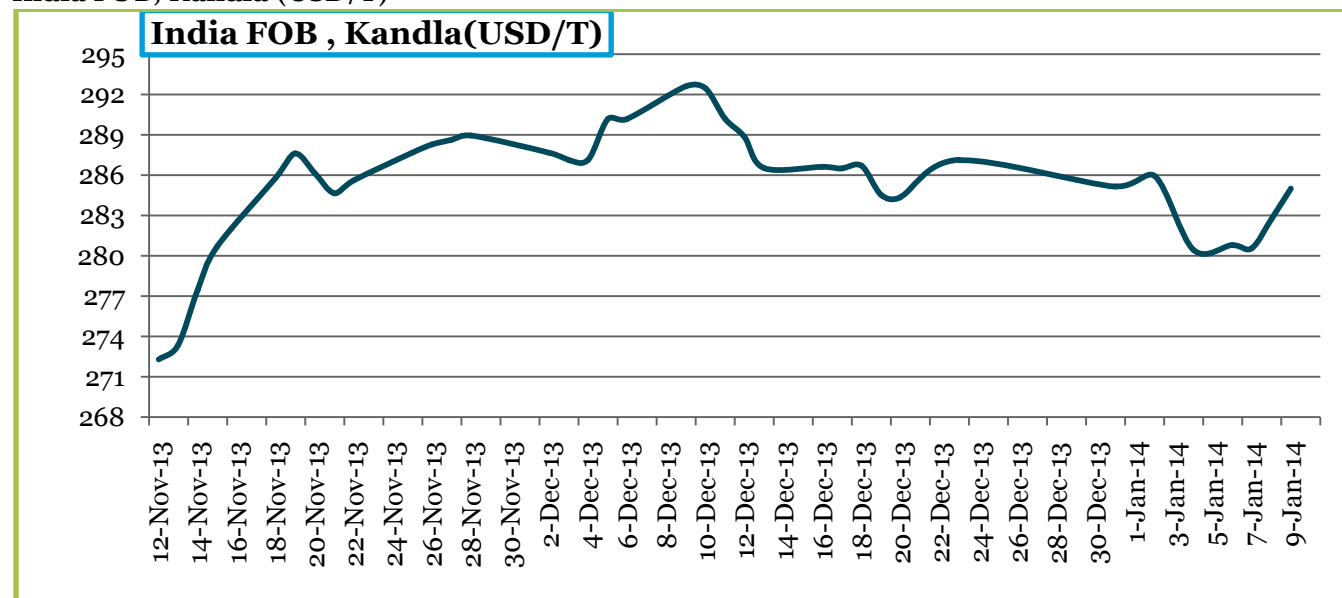
FOB Value as on 11.01.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16800	16250	15800	17000	16000	14000	19100
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	500	500	500	500	500	500	0
Local transport, port warehousing, labour charges, shortage	700	1150	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	18000	17900	18200	18950	18050	15700	19100
Indian FOB (USD/MT)	290.65	289.04	293.88	305.99	291.46	253.51	308.41
Insurance @ 0.1%	0.29	0.29	0.29	0.31	0.29	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	309	307	312	324	309	272	326
INR	61.93	61.93	61.93	61.93	61.93	61.93	61.93
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	1	3	-2	-14	1	38	-16

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	11 Jan , 2014	week ago 04 Jan, 2014	Month ago 11 Dec 13	Year ago 11 Jan 2013	Change over previous Year %
Indore	1767	1727	1694	1560	13.27
Bareilly	1730	1745	1745	1540	12.34
Delhi	1638	1646	1649	1574	4.07
Khanna	1800	1767	1778	1668	7.91
Kanpur	1725	1690	1660	1500	15.00
Karnal	1575	1550	1590	1500	5.00
Rajkot	1713	1703	1706	1635	4.77
Kota	1751	1731	1710	1650	6.12

India FOB, Kandla (USD/T)

**Wheat Export Monthly Data:**

	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.38	232.12	237.46
Apr 12 - Mar 13	64.96	298.18	286.71
Apr-13	8.32	303.06	256.85
May-13	8.66	309.11	258.13
Jun-13	8.24	291.51	252.70
Jul-13	4.46	282.82	243.62
Aug-13	3.18	265.67	240.16
Sep-13	1.79	267.21	240.05
Oct-13	0.57	271.7	253.25
Nov-13	0.65	279.27	242.74
Dec-13	3.83	287.89	230.98
Jan-14			
Feb-14			
Mar-14			
Total 13-14	39.7	284.25	246.50

Source: DGCIS, *Provisional Data (As per IBIS)

Domestic Key Spot Market Price Comparison:

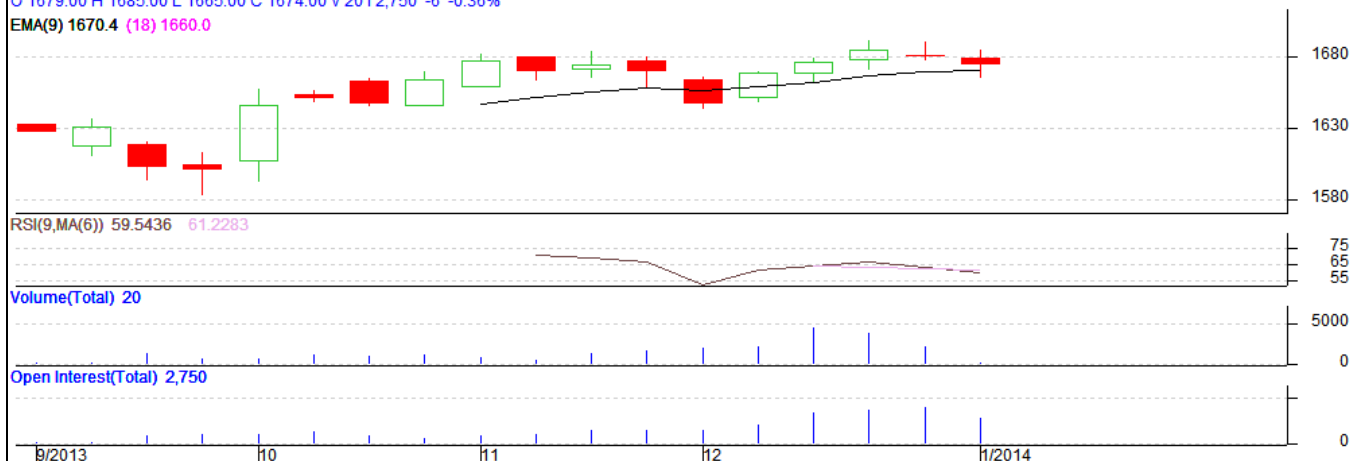
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11.01.2014	04.01.2014	
Delhi					
	Lawrence Road	Mill Quality	1635	1642	-7
	Nazafgarh	Mill Delivery Loose	1600	1610	-10
	Narella	Mill Delivery Loose	1565	1590	-25
Gujarat	Rajkot	Mill Delivery	1750	1720	30
	Ahmadabad	Mill Delivery	1810	1800	10
M.P.	Bhopal	Mill Quality Loose	1710	1700	10
	Indore	Mill Delivery	1750	1725	25
Rajasthan	Kota	Mill Quality	1625	1630	-5
U.P.	Mathura	Mill Quality Loose	1625	1600	25
Punjab	Khanna	Mill Quality Loose	1610	1580	30
Haryana	Sirsa	Mill Delivery loose	1550	1550	Unch

Commodity: Wheat
Contract: January

Exchange: NCDEX
Expiry: 20th January, 2014

Wheat (Weekly Chart)

WHEAT DELHI 1401(NCWHDF4)2014/01/05 - Weekly B:1672.00 A:1689.00
O 1679.00 H 1685.00 L 1665.00 C 1674.00 V 20 I 2,750 -6 -0.36%
EMA(9) 1670.4 (18) 1660.0



Technical Commentary:

- Candle stick chart depicts range bound movement in the market.
- Fall in OI and price indicates Consolidation.
- RSI is in neutral zone.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	January	1630	1640	1674	1700	1710
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	January	Sell	Above 1670	1663	1660	1674.5

*Do not carry forward the position until the next Week.

Domestic Weekly Outlook: Market We expect wheat cash market to trade steady to slightly week in this week of January due to expectation of a better crop and increase in quantity released by government.

International Market Updates:

The Taiwan Flour Millers' Association has bought 54,800 tonnes of milling wheat to be sourced from the United States. The purchase comprised 29,150 tonnes of dark northern spring wheat of 14.5% protein, bought at USD 374.00/MT, FOB, 15,350 tonnes of hard red winter wheat, of 12.5% protein, bought at USD 309.50/MT, FOB, and 10,300 tonnes of western white, of 10.5% protein, bought at USD 279.83/MT FOB. The delivery date is between Feb. 21 and Mar. 7 and ocean freight is charged at USD 29.60/MT for shipment from the U.S. Pacific North West coast.

Argentina's Buenos Aires Grains Exchange has reduced 2013-14 wheat crop estimates to 10.10 million tonnes from previous forecast of 10.35 million tonnes.

Midgulf International won a tender issued by Bangladesh government to supply 50,000 tonne wheat at \$311 a tonne CIF. Bangladesh is planning to import 850,000 tonnes of wheat in the financial year to June 2014, up from around 350,000 tonnes the previous year to contain any possibility of price rise.

Brazil is importing huge quantities of wheat from US instead of its traditional supplier Argentina due to export restrictions imposed by Argentinean government to restrict price rise in domestic market owing to lower crop size. Brazil imported 2.36 lakh tonnes of wheat from US in December 2013. Wheat import from Argentina is tax free as both belong to regional trade bloc Mercosur. Wheat from the United States is subject to a 10 percent tariff

Wheat crop in US Mid-West and plains region remains at risk due to severe cold and snowfall. About 5% of soft wheat crop is in danger according to analyst. About 30% of central Plains hard red winter wheat is at risk of winter kill.

Algerian state grains agency OAIC has bought 500,000 of milling wheat at USD 314/MT CNF and 550,000 tonnes of milling wheat at USD 315/MT CNF in tender for March shipment, The origin of the wheat was kept optional but France is most likely to supply the quantities, according to the traders.

Egypt has bought 535,000 tonnes of Ukrainian, Russian, Romanian and French wheat for shipment for January-February shipment.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12	2012-13 Est.	Projection for 2013-14	
						31.10.2013	29.11.2013
Production	685	679	653	695	655	696	698
Trade	137	128	126	145	141	142	142
Consumption	645	652	657	696	673	690	692
Carryover stocks	173	199	194	193	175	182	181
Y-O-Y change	41	27	-4	-1	-18	7	6
Major Exporters	69	79	73	69	48	53	51

Indicative FOB Quotes:

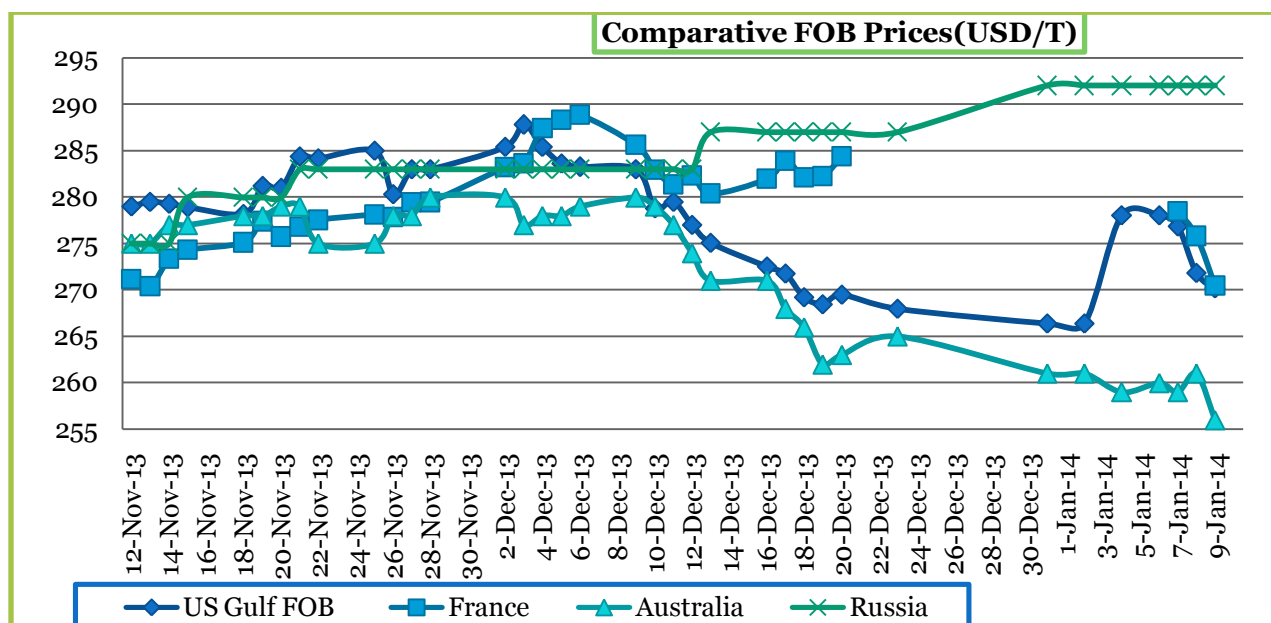
	Variety	% Change over Prev. Year	09.01.14	Week Ago 04.01.14	Month Ago (Dec)	3 Months Ago (Oct)	Year Ago (Jan)
USA (Gulf)	SRW 2	-13.60	270.16	278.06	278.80	295.90	312.70
France	FCW3	-16.25	270.44	NA	282.95	266.86	322.90
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	351.30
Australia	CWRS	-17.51	256.00	259.00	279.00	294.00	310.35
Russia	SRW	-12.05	292.00	292.00	283.00	252.00	332.00
Ukraine	SRW	-12.12	290.00	290.00	280.00	248.00	330.00
Argentina	SRW	-3.25	335.00	335.00	NA	315.00	346.25

Global wheat market is expected to trade weak on higher wheat production estimate of 706.38 million tones and IGC latest estimate of 698 million tones may keep market under pressure in medium term.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 10.01.14 (USD/T)							
CONTRACT MONTH	10 Jan 14	Week ago (06 Jan 2013)	1 Month ago (11 Dec 13)	3 Month ago (11 Oct 13)	6 Month ago (11 July 13)	1 Year ago (11 Jan 12)	% Change over previous year
14-Mar	209.05	222.55	235.41	257.55	260.67	294.84	-29.10
14-May	211.26	224.57	237.62	258.01	262.97	294.29	-28.21
14-Jul	213.37	225.68	237.52	254.42	261.68	289.14	-26.21
14-Sep	216.95	229.17	241.01	256.72	263.70	291.62	-25.61
14-Dec	222.09	234.31	245.88	260.76	266.37	297.32	-25.30
15-Mar	225.58	237.43	248.45	262.78	268.48	298.97	-24.55

CBOT March 14 Future Charts:

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

Note: Due to Christmas and New Year holiday in U.S. and other international markets data is unavailable.

International Weather update: (Source-USDA)

Australia- Temperatures in major summer crop producing areas averaged about 1 to 2°C above normal, with maximum temperatures in the middle 30s degrees C. Farther south, widespread showers (10-25 mm, locally near 40 mm) in central and southern New South Wales benefited summer crops but hampered late winter grain harvesting. Elsewhere in southeastern and Western Australia, warm, dry weather allowed winter crop harvesting to proceed without delay.

Argentina- Hot, mostly dry weather dominated the north, with weekly temperatures averaging 4 to 6°C above normal and daytime highs reaching 40°C on numerous days. As in central Argentina, additional rainfall and cooler weather are needed to end stress on predominantly rain-fed summer grains. Winter wheat was 87 percent harvested (16 points ahead of last year), with most of the remaining acreage to be harvested in major production areas of southern Buenos Aires.

Russia and Ukraine – Dry, unseasonably warm weather maintained favorable overwintering conditions for wheat but left portions of the region uncharacteristically devoid of snow cover. Temperatures up to 8°C above normal in western and northern crop areas minimized the risk of winterkill but slowly eroded the region's protective snowpack. In key southern winter wheat areas, sunny skies and above-normal temperatures (1-4°C above normal) melted much of the remaining shallow snow cover. At week's end, only crops in the Volga and eastern Central District were adequately protected with 5 to 20 cm of snow.

International Weekly Outlook:

International market is likely to trade steady to slightly firm on increased demand from China and Brazil, supported by buyer's fresh interest at lower level. However in medium term market is expected to trade slightly up due to some damage report in U.S. wheat growing area due to excessive cold.

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.