Domestic Market Updates:

Wheat sowing area increased this year by 6.33 percent so far(17th Jan,2014) from 295 lakh ha. to 313.69 lakh ha.on the back of good monsoon and higher water availability in the major wheat growing regions.

This year wheat production may break all previous records of production as weather remains favourable till now for better growth of the crop. Market participants have started saying that wheat production this year may touch 100 million tonne provided weather remain congenial to the crop in the month of February and March.

The Inflation of wheat has increased to 7.40% in the month of December as compare to 7.26% in the month of November.WPI has increased to 220.5 in December as compare to 217.1 in the month of November.

Wheat stock in central pool warehouses was registered at 28.04 million T as compared to 31.06million T on same time last year. It is higher than actual requirement of 11.12 million tonne on 1st Jan.'2014.The highest accumulated stock is in Punjab (10.72 million T) followed by Haryana (5.97 million Tonne) and Madhya Pradesh (4.20 million tonne) as on 01.01.2014.

In MMTC Wheat export tender of 60,000 MTs from Pipava port 5 bids were received. Highest bid was by Alghurair at $277.50/MT for 30,000 tonnes followed by Agro Corp. at $275.59/MT for 30,000 tonnes and the lowest bid was at $274.00.

In a STC Wheat export tender of 1.2 Lakh T from Wizag port 5 bids were received, highest bid was at $279.59/MT and lowest at $275.59.In another wheat export tender by PEC of 1.2 Lakh T from Kandla port highest and lowest bids was $281.31 and $278.00 respectively.

Government has set the production target at 92.5 Metric tonnes for 2013-14.Going by the current crop condition and higher area coverage production is expected to be much higher than the set target.

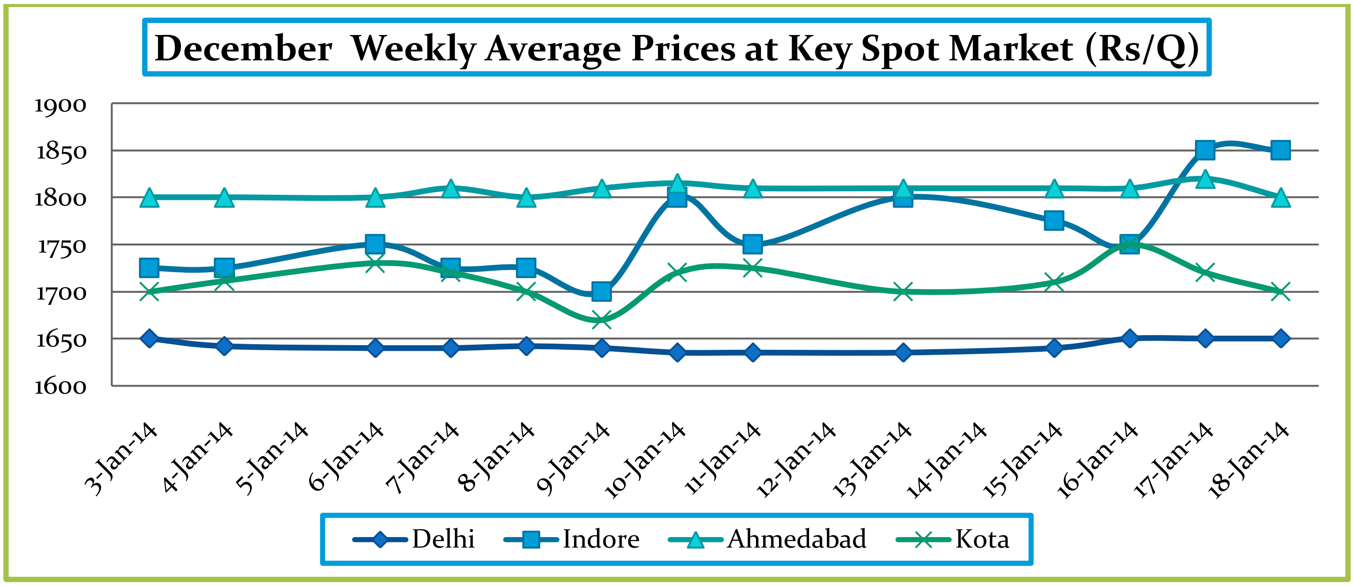
New crop from Gujarat is expected to hit market in the first week of Feburary. Wheat production in Gujarat, Rajasthan, Madhya Pradesh and Uttar Pradesh is likely to increase considerably due to higher area coverage and congenial weather.

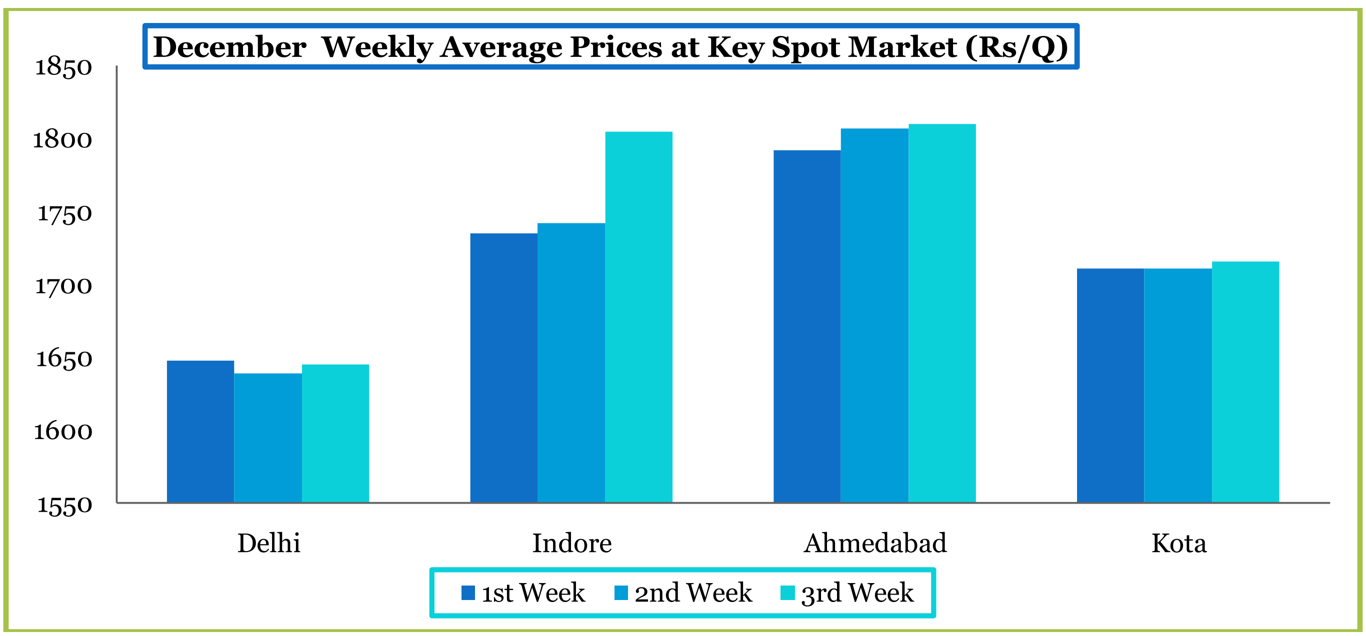
Weather Watch: (Source-IMD)

- Rain/snow would occur at isolated places over Jammu & Kashmir and Himachal Pradesh on 21st and increase thereafter.
- Rain/snow would also occur at isolated places over Uttarakhand on 22nd.
- Rain/thundershowers would occur at isolated places over Gujarat region and Saurashtra.
- Rain/thundershowers would occur at isolated places over Assam & Meghalaya, Arunachal Prade sh, south coastal Andhra Pradesh, north coastal Tamilnadu during next 24 hours and mainly dry thereafter.

- Rain/thundershowers would occur at isolated places over east Rajasthan, west Madhya Pradesh, Konkan & Goa and Madhya Maharashtra from tomorrow.
- Weather would be mainly dry/dry over rest of the country.
- Minimum temperatures would fall by 2-3°C and maximum temperatures would rise by 3-4°C over NorthWest and adjoining central & east India during next 24 hours and no significant change thereafter.
- Dense to very dense fog would occur at a few places over Punjab, Haryana & Delhi, north Rajasthan, Uttar Pradesh, north Madhya Pradesh, Bihar during next 2 days and over Sub-Himalayan West Bengal, south Assam & Meghalaya and Tripura during next 3 days

Weekly Prices Comparison of key Domestic Spot Market:





Key spot wheat mill delivery prices traded steady to moderately weak due to good expectation of crop this year.

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.01.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	7.72	0.00	7.72
NORTH EAST ZONE	0.45	0.00	0.45
NORTH ZONE	82.22	126.51	208.73
SOUTH ZONE	4.12	0.00	4.12
WEST ZONE	18.10	38.46	56.56
TOTAL	**112.61**	**164.97**	**277.58**

(Figures in Lakh Tonnes)

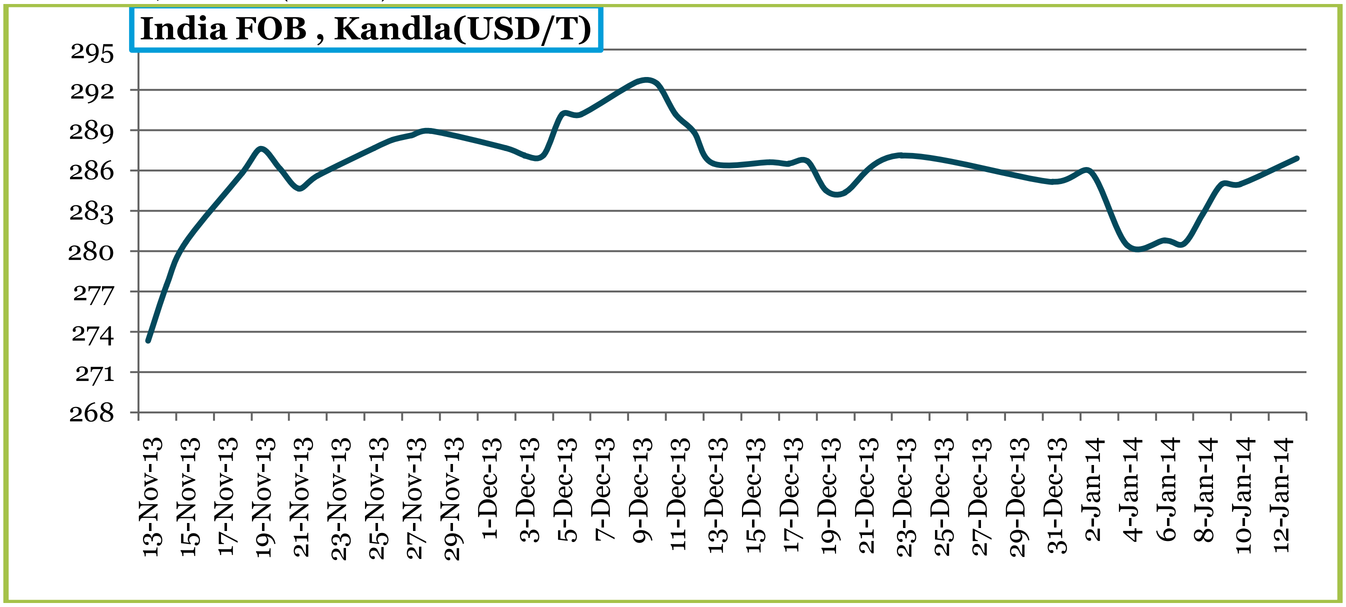
FOB Value as on 14.01.2014 from various destinations at Kandla:

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	18 Jan , 2014	week ago 09 Jan, 2014	Month ago 16 Dec 13	Year ago 15 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
			18.01.2014	11.01.2014	
Delhi	Lawrence Road	Mill Quality	1650	1635	15
	Nazafgarh	Mill Delivery Loose	1625	1600	25
	Narella	Mill Delivery Loose	1600	1565	35
Gujarat	Rajkot	Mill Delivery	1750	1750	Unch
	Ahmadabad	Mill Delivery	1800	1810	-10
M.P.	Bhopal	Mill Quality Loose	1700	1710	-10
	Indore	Mill Delivery	1850	1750	100
Rajasthan	Kota	Mill Quality	1600	1625	-25
U.P.	Mathura	Mill Quality Loose	1650	1625	25
Punjab	Khanna	Mill Quality Loose	1625	1610	15
Haryana	Sirsa	Mill Delivery loose	1550	1550	Unch

Commodity: Wheat **Exchange: NCDEX**
Contract: February **Expiry: 20th February, 2014**

Wheat (Weekly Chart)

Technical Commentary:

- Candle stick chart depicts range bound movement in the market.
- Rise in OI and prices indicate Long Buildup.
- RSI is in neutral zone.

Strategy: Buy

Intraday Supports & Resistances			**S2**	**S1**	**PCP**	**R1**	**R2**
Wheat	NCDEX	February	1615	1625	1649	1675	1685
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	February	**Buy**	Above 1651	1655	1657	1648.7

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

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

International Market Updates:

Bangladesh reissued an international tender on Wednesday to import 50,000 tonnes of wheat after the winning bidder failed to supply the grain on time. Bangladesh annual wheat consumption is 4 million tonne against the domestic production of around 1 million tonne

It is also buying 200,000 tonnes of wheat in a government-to-government deal with Ukraine at $307 a tonne CIF liner out. Govt. imports around 8 to 9 lakh tonne while private trades import 2 to 2.5 million tonne wheat based on requirements.

Production estimate revised to 712.65 million tonnes for 2013-14 against the previous estimate of 656.44 million tonnes (2012-13).Likewise carry out stock too has been revised up from 176.13 million tonnes to 185.39 million tonnes.

Global 2013/14 wheat supplies are raised 1.5 million tonnes to 888.8 million with production increases for China and the FSU-12 as per latest USDA release.

Production is raised to 0.6 million tons for Russia and 0.3 million tons for Tajikistan from previous month estimates by USDA. Global wheat ending stocks are projected 2.6 million tons higher mostly on increases for China and the United States.

Argentina's 2013/14 wheat crop should come in at 9.2 million tonnes against previous estimate of 9 million tonnes of which 1.5 million tonnes will be approved for export. The increased forecast was attributed to higher-than-expected wheat yields and good soil water reserves.

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.

Brazil is importing huge quantities of wheat from US instead of its traditional supplier Argentina. 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.

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	14.01.14	Week Ago 08.01.14	Month Ago (Dec)	3 Months Ago (Oct)	Year Ago (Jan)
USA (Gulf)	SRW 2	**-18.17**	265.38	271.81	272.52	294.20	324.30
France	FCW3	**-20.39**	266.76	275.80	281.99	268.51	335.10
United Kingdom	Feed wheat	**NA**	NA	NA	NA	NA	NA
Australia	CWRS	**-17.71**	257	261.00	271.00	288.00	312.31
Russia	SRW	**-12.05**	292	292.00	287.00	254.00	332.00
Ukraine	SRW	**-12.12**	290	290.00	285.00	252.00	330.00
Argentina	SRW	**-3.25**	335	335.00	NA	315.00	346.25

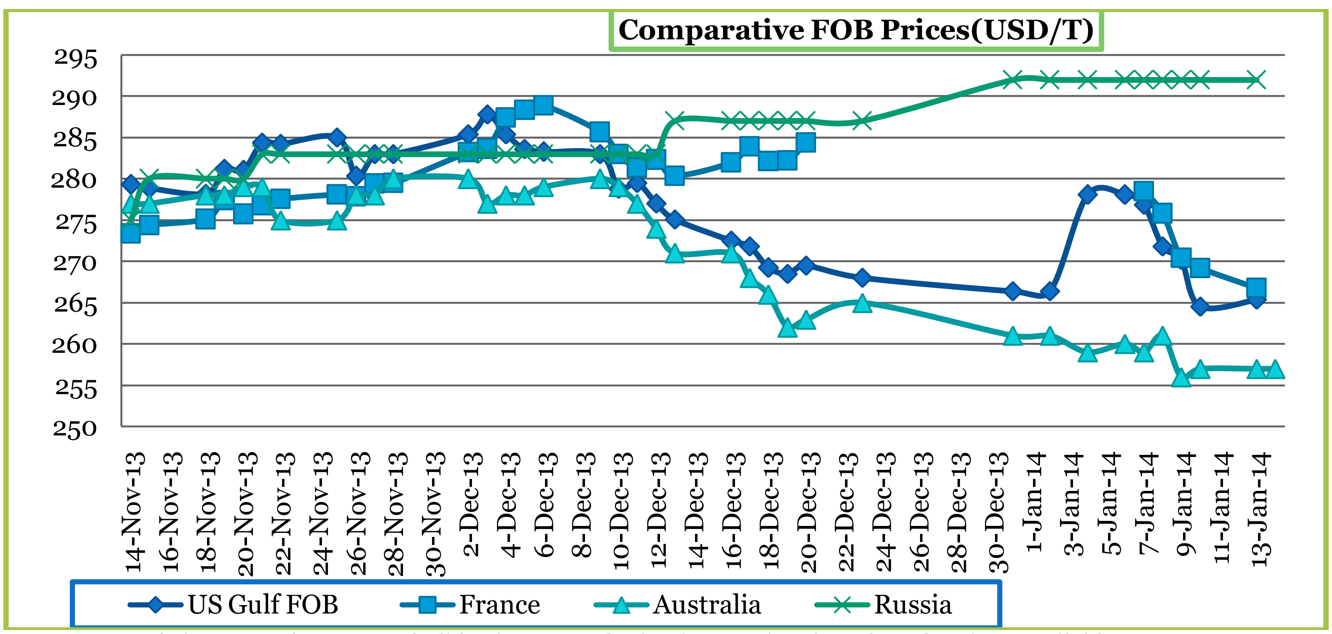
Global wheat market is expected to trade weak on higher wheat production estimate of 706.38 million tones and IGC latest estimate of 698 million tones may keep market under pressure in medium term.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 17.01.14 (USD/T)							
CONTRACT MONTH	**17 Jan 14**	**Week ago (13 Jan 2013)**	**1 Month ago(16 Dec 13)**	**3 Month ago(15 Oct 13)**	**6 Month ago(15 July 13)**	**1 Year ago(15 Jan 13)**	**% Change over previous year**
14-Mar	207.03	210.70	228.43	255.53	255.07	303.66	**-31.82**
14-May	209.60	213.28	230.64	257.00	257.82	302.00	**-30.60**
14-Jul	211.99	215.76	231.19	253.05	257.27	296.95	**-28.61**
14-Sep	215.20	219.25	234.49	255.16	259.48	299.43	**-28.13**
14-Dec	219.89	224.39	239.45	259.02	262.42	302.46	**-27.30**
15-Mar	223.65	227.88	242.39	261.04	264.34	304.12	**-26.46**

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- *The relatively dry weather likely maintained local irrigation requirements and further reduced soil moisture for dryland crops. Temperatures in major summer crop growing areas averaged near normal, with maximum temperatures in the lower to middle 30s degree C.*

Argentina- *Virtually no rain fell during the first half of the week in central Argentina (La Pampa,Buenos Aries, and southern sections of Cordoba, Santa Fe, and Entre Rios), with daytime highs ranging from 35 to 40°C. Cooler weather developed toward the end of the week, but most* *areas remained dry, with scattered showers (greater than 10 mm) generally confined to northeastern Buenos Aires and Entre Rios. According to Argentina's Ministry of Agriculture,Winter wheat was 100 percent harvested.*

Russia and Ukraine – *Spring-like warmth persisted, maintaining favorable conditions for winter wheat but leaving the region uncharacteristically devoid of snow. Temperatures averaged 3 to 10°C above normal, eliminating the risk of winterkill. Daytime highs topped 10°C across Belarus, Ukraine, and southern Russia, keeping key southern winter wheat areas devoid of snow cover.*

International Weekly Outlook:

International market is likely to trade steady to slightly firm on buyer's fresh interest at present 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.