Domestic Market Updates:

Planting area under India's Rabi (winter) wheat crop stands at about 31.53 million hectares as of February 07, 2014, which is up about 6% from around 29.81 million hectares wheat planted during the same time last year, according to the Ministry of Agriculture.

Three traders in Bangladesh have bought 150,000 tonnes of wheat from India at prices ranging from $302 to $305 a tonne, including cost of delivery to Chittagong port.

Domestic wheat markets traded almost range bound on the back of higher release from central pool stock for flour millers through open market sale schemes and bumper production prospects this year. Export continues through public and private channel. However, private export volume is lower due to lower availability of premium grade in the open market.

Recent rains (in the third week of January) have boosted the yield prospects in major wheat growing regions. Market participants have started talking about record crop size ranging 95 to 100 million tonnes based on record area coverage around 315 lakh ha. till 24th January,2014 against last year's coverage of around 296 lakh ha.

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 26.94 million T as on 16th Jan.'2014 compared to 28.04 million T on 1st Jan.'2014. 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 16.01.2014.

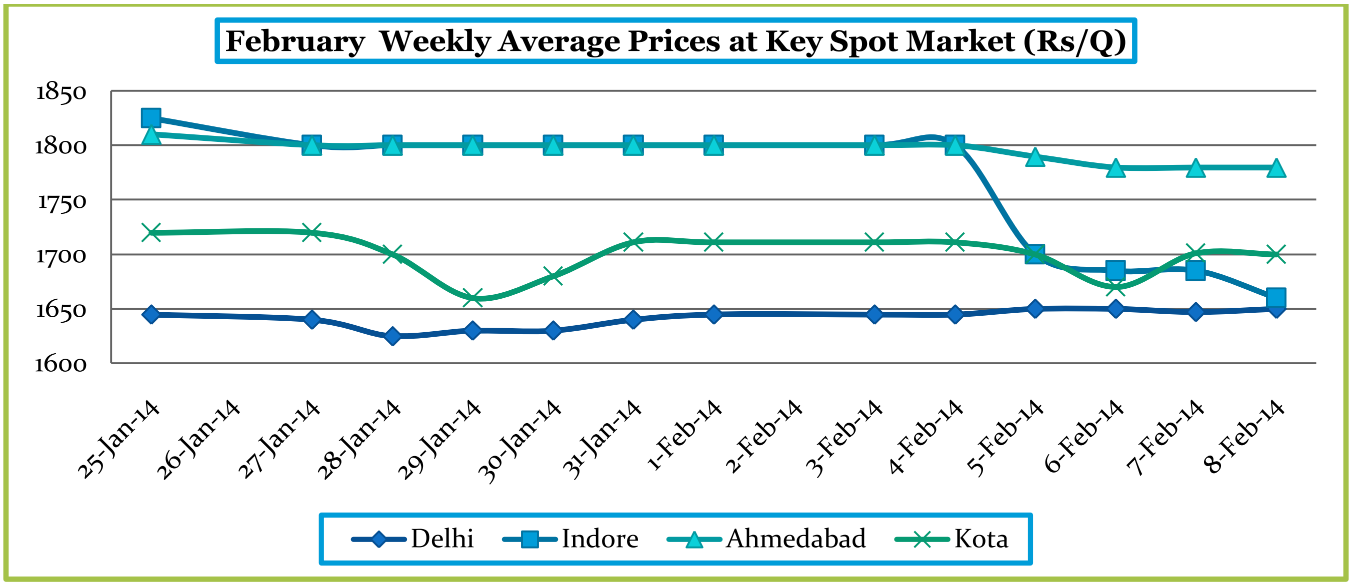
In MMTC Wheat export tender of 60,000 MTs from Pipava port 5 bids were received. Highest bid was by Alghurair at $277.50/MT for 30,000 tonnes followed by Agro Corp. at $275.59/MT for 30,000 tonnes and the lowest bid was at $274.00.

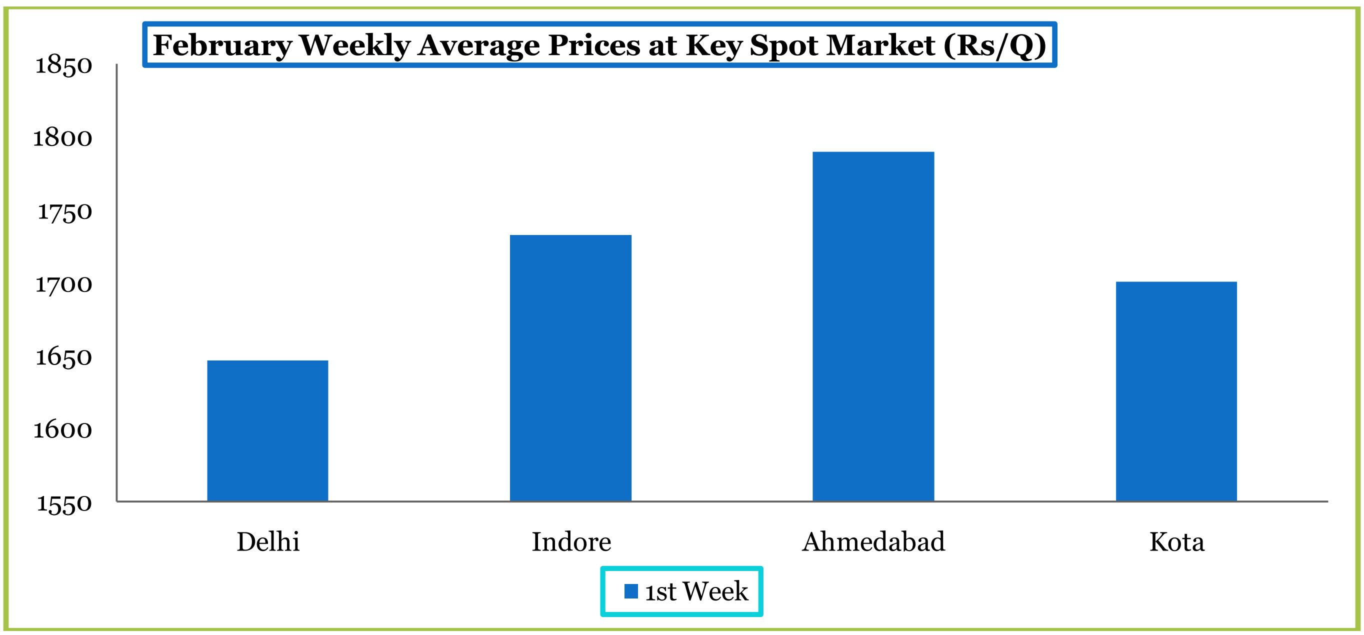
Weather Watch: (Source-IMD)

- Rain/snow would occur at isolated places over Jammu & Kashmir.
- Rain/snow would occur at isolated places over Himachal Pradesh and Uttarakhand on 11th.
- Rain/thundershowers would occur at isolated places over Arunachal Pradesh and Assam & Me ghalaya.
- Rain/thundershowers would occur at isolated places over Gangetic West Bengal and Odisha o n 12th.
- Weather would be mainly dry/dry over rest parts of the country.

- No significant change in minimum temperatures over northwest and adjoining west India and fall by 2-3°C over central and east India during next 48 hours.

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)

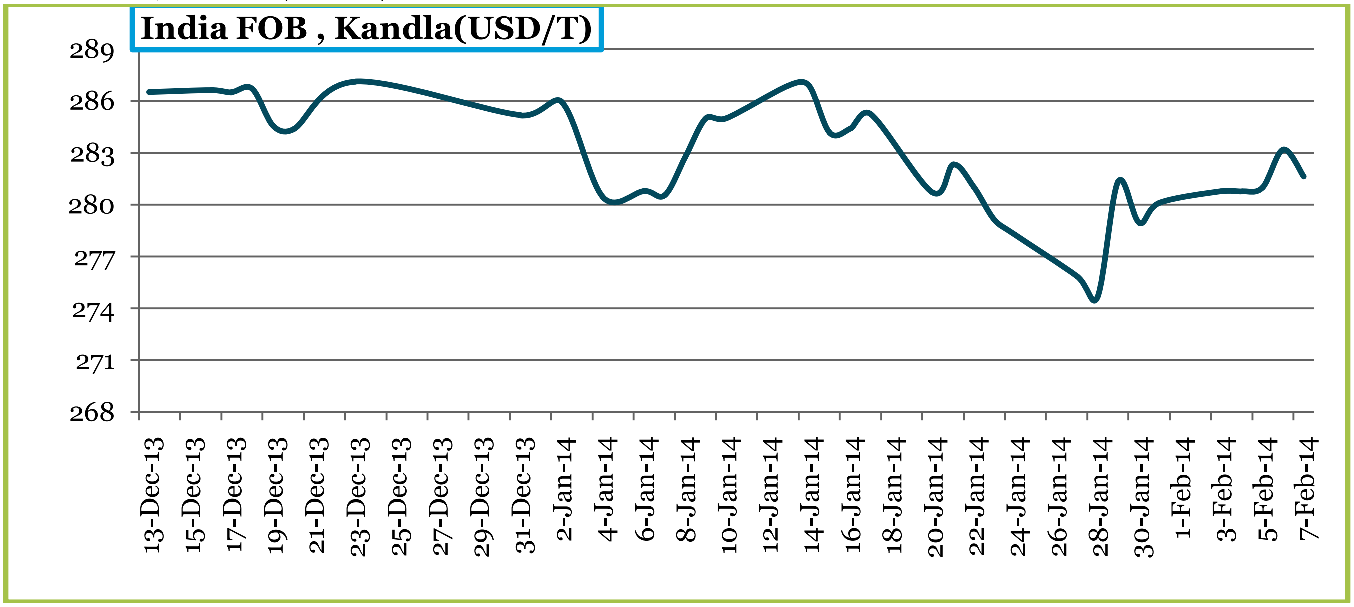
FOB Value as on 25.01.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16300	16500	18000	16700	17000	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)	17500	18150	20400	18650	19050	15700	19100
Indian FOB (USD/MT)	**282.58**	**293.07**	**329.40**	**301.15**	**307.61**	**253.51**	**308.41**
Insurance @ 0.1%	0.28	0.29	0.33	0.30	0.31	0.25	0.31
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	301	311	347	319	326	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)	**9**	**-1**	**-37**	**-9**	**-16**	**38**	**-16**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	08 Feb , 2014	week ago 01 Feb, 2014	Month ago 10 Jan 14	Year ago 11 Feb 2013	Change over previous Year %
Indore	1688	1700	1763	1610	**4.84**
Bareilly	1760	1760	1750	1650	**6.67**
Delhi	1648	1641	1638	1587	**3.84**
Khanna	1839	1842	1778	1696	**8.43**
Kanpur	1743	1745	1710	1530	**13.92**
Karnal	1605	1615	1600	1490	**7.72**
Rajkot	1699	1710	1710	1645	**3.28**
Kota	1680	1685	1735	1655	**1.51**

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	5.01	281.84	212.17
Feb-14			
Mar-14			
Total 13-14	**44.71**	**284.00**	**243.06**

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

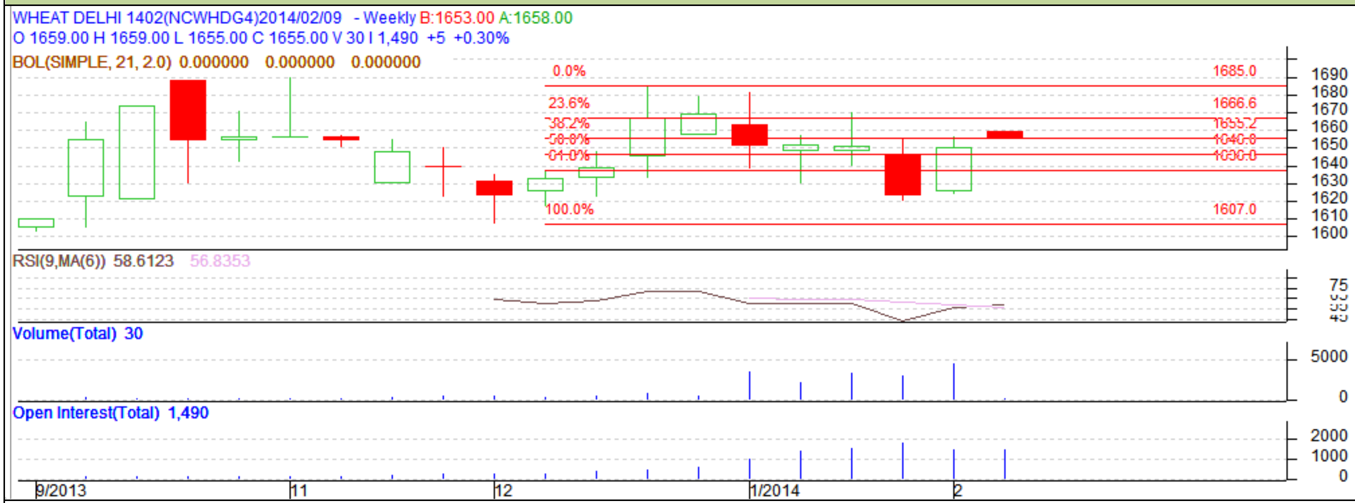
Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			08.02.2014	01.02.2014	
Delhi	Lawrence Road	Mill Quality	1650	1645	5
	Nazafgarh	Mill Delivery Loose	1600	1600	Unch
	Narella	Mill Delivery Loose	1560	1625	-65
Gujarat	Rajkot	Mill Delivery	1700	1725	-25
	Ahmadabad	Mill Delivery	1780	1800	-20
M.P.	Bhopal	Mill Quality Loose	1550	1650	-100
	Indore	Mill Delivery	1660	1800	-140
Rajasthan	Kota	Mill Quality	1600	1600	Unch
U.P.	Mathura	Mill Quality Loose	1630	1635	-5
Punjab	Khanna	Mill Quality Loose	1605	1620	-15
Haryana	Sirsa	Mill Delivery loose	1575	1565	10

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.
- Fall in OI and rise prices indicate short covering.
- RSI is in neutral zone.

Strategy: Sell

Intraday Supports & Resistances			**S2**	**S1**	**PCP**	**R1**	**R2**
Wheat	NCDEX	February	1625	1635	1655	1675	1685
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	February	**Sell**	Above 1660	1650	1645	1656

*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 February due to expectation of a better crop and increase in quantity released by government.**

International Market Updates:

Iran's state grains buyer GTC bought at least 400,000 tonnes of wheat from Russia and the European Union, including Germany, for shipments between March and May.

The Lebanese government has purchased 25,000 tonnes of milling wheat t from Russia at $309.67 a tonne c&f free out.The wheat is sought for immediate shipment for arrival by Mar. 2 at the latest.

South Korea's largest feedmaker Nonghyup Feed Inc. (NOFI) purchased 65,000 tonnes of animal feed wheat from Glencore at $282.79 a tonne c&f plus a $1.75 a tonne surcharge for extra port unloading.

Japan's Ministry of Agriculture bought a total of 179,343 tonnes of food quality wheat from the United States and Australia.

Saudi Arabia's state grains authority GSFMO has issued an international tender to purchase 660,000 tonnes of wheat.

Iraq's state grain board has purchased a total 350,000 tonnes of hard wheat from Australia, Canada and the United States in a tender for at least 50,000 tonnes. The purchase involved 200,000 tonnes of Australian wheat at USD 334.78/ MT c&f free out (ciffo), 100,000 tonnes from Canada at USD 347/MT ciffo and 50,000 tonnes from the United States at USD 349/MT ciffo.

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.

IGC Wheat Balance Sheet (Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12	2012-13 Est.	Projection for 2013-14	
						29.11.2013	30.01.2014
Production	685	679	653	695	655	698	707
Trade	137	128	126	145	141	142	147
Consumption	645	652	657	696	673	692	691
Carryover stocks	173	199	194	193	175	181	188
Y-O-Y change	41	27	-4	-1	-18	6	16
Major Exporters	69	79	73	69	48	51	56

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	31.01.14	Week Ago 24.01.14	Month Ago (Dec)	3 Months Ago (Oct)	Year Ago (Jan)
USA (Gulf)	SRW 2	**-19.30**	261.72	265.21	272.52	294.20	324.30
France	FCW3	**-23.44**	256.54	264.66	281.99	268.51	335.10
United Kingdom	Feed wheat	**NA**	NA	NA	NA	NA	NA
Australia	CWRS	**-21.23**	246.00	248.00	271.00	288.00	312.31
Russia	SRW	**-16.27**	278.00	280.50	287.00	254.00	332.00
Ukraine	SRW	**-15.15**	280.00	282.50	285.00	252.00	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.

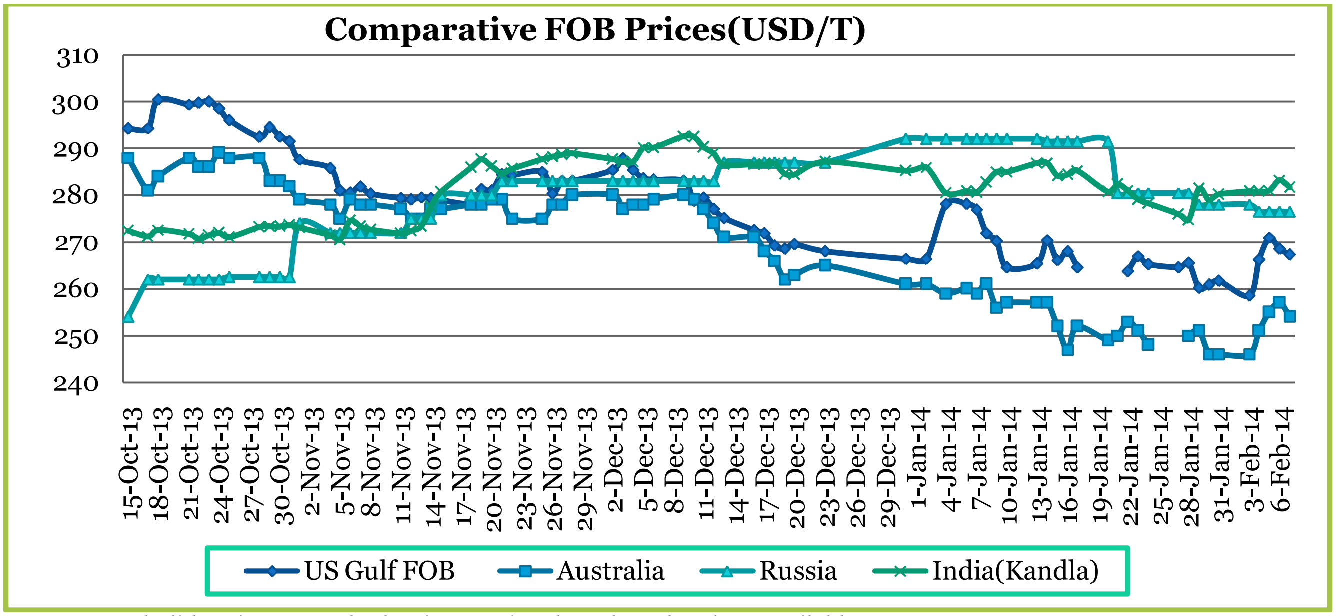
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 07.02.14 (USD/T)

CONTRACT MONTH	07 Feb 14	Week ago (03 Feb 2014)	1 Month ago(10 Jan 13)	3 Month ago(11 Nov 13)	6 Month ago(12 Aug 13)	1 Year ago(11 Feb 13)	% Change over previous year
14-Mar	212.17	207.12	209.05	241.47	243.77	287.49	**-26.20**
14-May	212.82	207.86	211.26	243.49	246.89	288.32	**-26.19**
14-Jul	214.47	208.96	213.37	244.23	246.34	285.19	**-24.80**
14-Sep	217.50	211.99	216.95	247.72	249.46	287.58	**-24.37**
14-Dec	222.19	216.67	222.09	252.31	253.41	291.26	**-23.71**
15-Mar	225.68	220.44	225.58	254.42	256.17	293.19	**-23.03**

CBOT March 14 Future Charts:

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



Note: Due to holidays in U.S. and other international markets data is unavailable.

International Weather update: (Source-USDA)

Australia- *Unfavorably dry weather returned to southern Queensland and northern New South Wales. Although temperatures averaged 1 to 2°C below normal, the lack of rain renewed stress on dry land summer crops. Throughout this region rainfall has averaged less than 50 percent of normal since August 1, 2013. Soaking rains are needed now to prevent additional reductions in yield prospects. Farther north, the remnants of Tropical Cyclone Dylan brought widespread showers (5-50 mm or more) to central Queensland, benefiting immature summer crops.*

Argentina- *For a second week, locally heavy rain fell in the country's main agricultural areas, increasing moisture for summer grains. Rainfall totaled 25 to 75 mm in the high-yielding farming areas of central Argentina (southern Cordoba to northeastern Buenos Aires). Weekly average temperatures were about 1°C above normal in the rainy areas, with daytime highs reaching the lower and middle 30s (degrees C). However, drier conditions dominated La Pampa and southwestern Buenos Aires, where weekly temperatures averaged 2°C above normal as daytime highs occasionally reached the middle and upper 30s. Heat and dryness also prevailed in northwestern Cordoba but the remainder of the north recorded moderate to heavy rain (25-100 mm, locally higher), further increasing moisture for summer crops at varying stages of development. However, drier conditions toward week's end allowed temperatures to rebound to stressful levels (daytime highs from 38-40°C) and maintained high evapotranspiration rates.*

Russia and Ukraine – *The coldest weather of the season settled over the region, although a fresh snowfall insulated dormant winter grains against potential winterkill. Temperatures for the week averaged 10 to nearly 20°C below normal, with nighttime lows plunging to -25°C (or lower) in key winter wheat areas of eastern Ukraine and Russia's Southern District. Readings plummeted to -36°C along the border between Russia's Southern and Central Districts. Despite the arctic blast, a* *shallow to moderate snowpack (5-30 cm) was mostly sufficient to prevent widespread winterkill. However, wind-swept fields may have left stands of wheat exposed, and some pockets of freeze damage are likely where snow was shallowest; areas at greatest risk are in southwestern portions of the Southern District, where snow depths were mostly between 5 and 10 cm.*

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 down due to expectation of good wheat production.