

### Domestic Market Updates:

**The Inflation of wheat has increased to 7.55%** in the month of January as compare to 7.40% in the month of December. WPI has increased to 220.9 in January as compare to 220.5 in the month of December.

**Glencore has won a tender to supply 50,000 tonnes of wheat to Bangladesh** at \$303 a tonne including CIF liner out which could be sourced from India as it is competitive with rival supplies from the Black Sea region, as per trader.

**According to IBIS (provisional data), export of wheat in the month of January** was 5.01 Lakh tones which is around 36% less than last year at the same month, which was 7.81 Lakh tones in December 2012.

**Recent showers of rains are expected to boost yield of standing wheat crop.** Crop condition throughout major producing states is in good to excellent shape so far. Market participants have started talking around 100 million tonne crop size. Under current crop condition and favourable weather India can expect the best yield realized in 2011-12.

**However, temperature in Feb-March would remain the crucial factors** for the final size of the crop. Wheat quality in Gujarat has been reported excellent this year and traders/exporters offered higher price for newly harvested crop, just started hitting into the market. Traders offered Rs 1720/Rs 1750 per qtl. for new crop. Some multinational companies have planned to store local wheat in Gujarat for export purpose. Market participants expect active buying by exporters by the end of this month.

**Latest wheat export tenders invited by PEC and MMTC**, opened today (on 14.02.2014) received lower quotes as expected. The highest bid received from Emssons DMCC (\$270.50 per MT) for 45000 tonnes of wheat. The lowest bid received from Al Ghurair (\$261 per MT) for 30000 Tonne. Agriwatch expects lower bids in next incoming tenders as Australia offers wheat at the rate of \$250/255 per T on FOB basis.

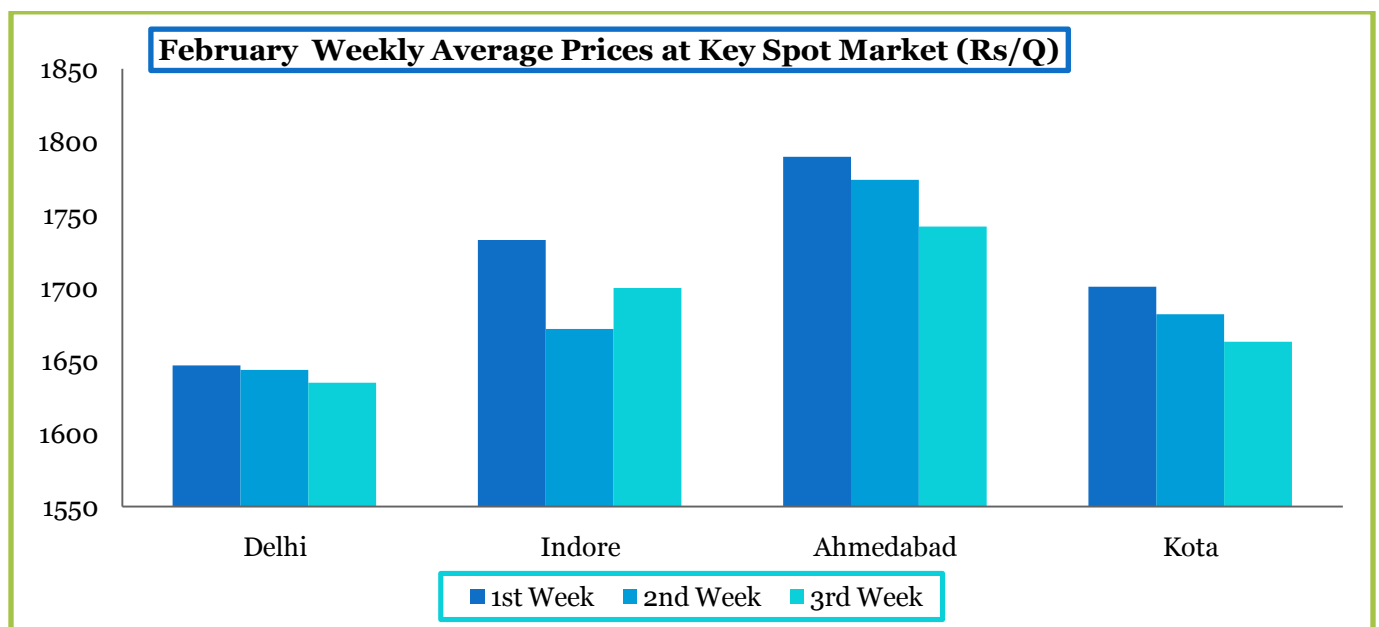
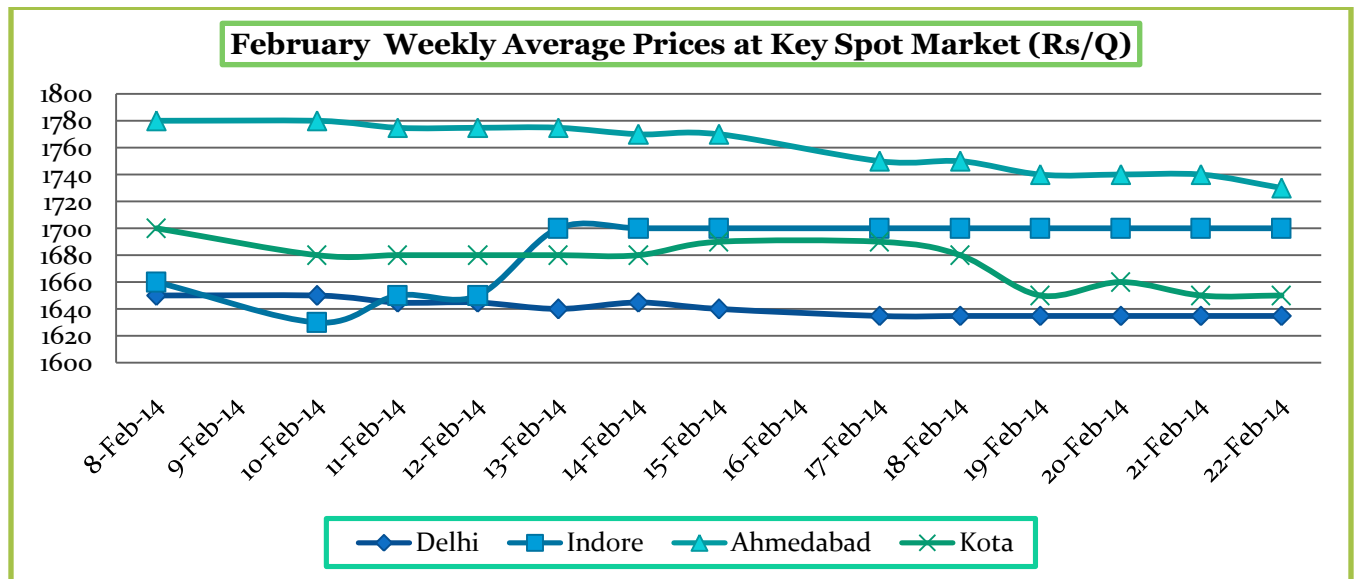
**Indian Exporters have entered in forward contract for March** delivery at USD 265-266/MT of Gujarat, Madhya Pradesh and Rajasthan origin wheat. For April delivery forward contracts have concluded at USD 262/MT, according to traders.

### Weather Watch: (Source-IMD)

- Rain/snow would occur at isolated places over Jammu & Kashmir from 25th.
- Rain/snow would occur at isolated places over Himachal Pradesh and Uttarakhand from 26th onwards.
- Rain/thundershowers would occur at isolated places over east Madhya Pradesh, Chhattisgarh, Bihar and Jharkhand during next 24 hours and mainly dry thereafter.
- Rain/thundershowers would occur at isolated places over Sub-Himalayan West Bengal, Nagaland, Manipur, Mizoram & Tripura during next 24 hours and mainly dry thereafter.

- Rain/thundershowers would occur at isolated places over Assam & Meghalaya, Arunachal Pradesh, Madhya Maharashtra, Marathawada, Vidarbha, Kerala and Lakshadweep.
- Rain/thundershowers would occur at isolated places over east Rajasthan, Gujarat states, Tamilnadu and Andaman & Nicobar Islands from 24th onwards.
- Moderate/dense fog would occur at a few places over Punjab, Haryana & Delhi, north Rajasthan, Uttar Pradesh and Madhya Pradesh in morning hours on 25th.
- No significant change in minimum temperatures over plains of northwest India and central & east India during next 24 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
<b>EAST ZONE</b>	7.72	0.00	7.72
<b>NORTH EAST ZONE</b>	0.45	0.00	0.45
<b>NORTH ZONE</b>	82.22	126.51	208.73
<b>SOUTH ZONE</b>	4.12	0.00	4.12
<b>WEST ZONE</b>	18.10	38.46	56.56
<b>TOTAL</b>	<b>112.61</b>	<b>164.97</b>	<b>277.58</b>

(Figures in Lakh Tonnes)

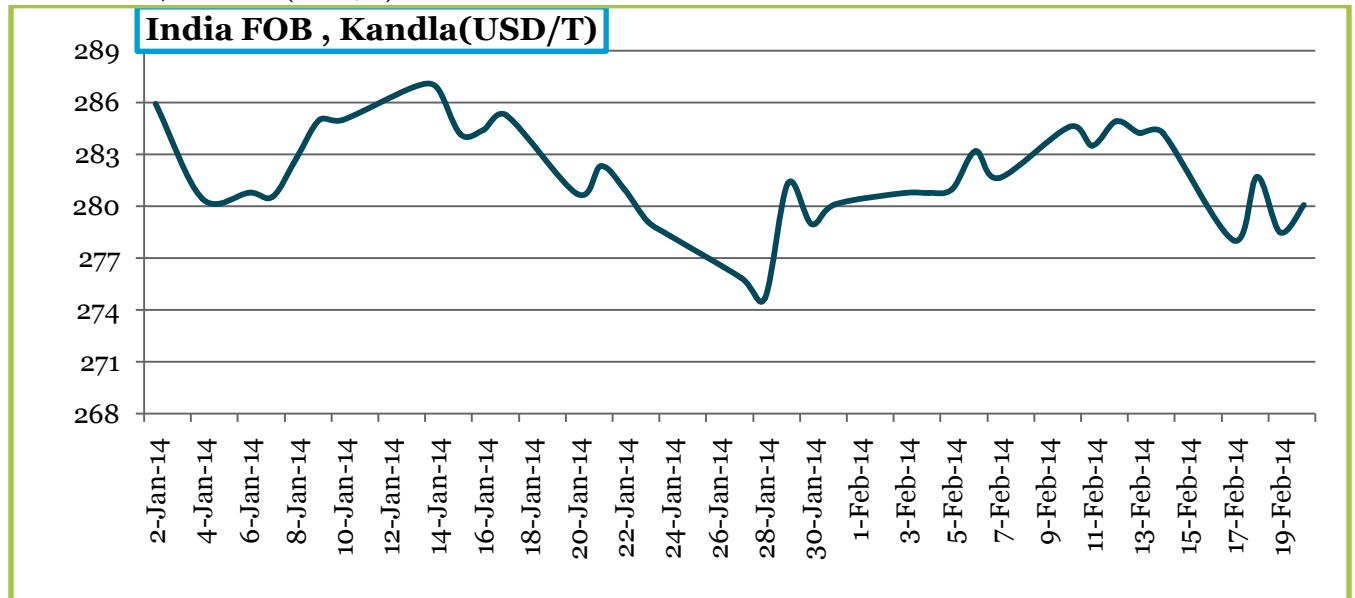
**FOB Value as on 25.01.2014 from various destinations at Kandla:**

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
<b>Indian FOB (USD/MT)</b>	<b>282.58</b>	<b>293.07</b>	<b>329.40</b>	<b>301.15</b>	<b>307.61</b>	<b>253.51</b>	<b>308.41</b>
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
<b>INR</b>	<b>61.93</b>	<b>61.93</b>	<b>61.93</b>	<b>61.93</b>	<b>61.93</b>	<b>61.93</b>	<b>61.93</b>
<b>Russian Wheat FOB (USD/MT)</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>
<b>Parity on FOB Basis (USD/MT)</b>	<b>9</b>	<b>-1</b>	<b>-37</b>	<b>-9</b>	<b>-16</b>	<b>38</b>	<b>-16</b>

**Spot prices of wheat at NCDEX Delivery centers**

NCDEX SPOT	21 Feb , 2014	week ago 11 Feb, 2014	Month ago 17 Jan 14	Year ago 12 Feb 2013	Change over previous Year %
<b>Indore</b>	1655	1700	1800	1595	<b>3.76</b>
<b>Bareilly</b>	1748	1755	1750	1588	<b>10.08</b>
<b>Delhi</b>	1635	1645	1643	1680	<b>-2.68</b>
<b>Khanna</b>	NA	1839	1838	1684	<b>NA</b>
<b>Kanpur</b>	1690	1710	1730	1520	<b>11.18</b>
<b>Karnal</b>	NA	1605	1565	1625	<b>NA</b>
<b>Rajkot</b>	1655	1694	1699	1643	<b>0.73</b>
<b>Kota</b>	1675	1681	1758	1610	<b>4.04</b>

## India FOB, Kandla (USD/T)



### Wheat Export Monthly Data:

	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
<b>Sept 11- Mar 12</b>	<b>7.38</b>	<b>232.12</b>	<b>237.46</b>
<b>Apr 12 - Mar 13</b>	<b>64.96</b>	<b>298.18</b>	<b>286.71</b>
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			
<b>Total 13-14</b>	<b>44.71</b>	<b>284.00</b>	<b>243.06</b>

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

## Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22.02.2014	15.02.2014	
Delhi	Lawrence Road	Mill Quality	1635	1640	-5
	Nazafgarh	Mill Delivery Loose	1610	1600	10
	Narella	Mill Delivery Loose	1560	1565	-5
Gujarat	Rajkot	Mill Delivery	1650	1700	-50
	Ahmadabad	Mill Delivery	1730	1770	-40
M.P.	Bhopal	Mill Quality Loose	1500	1550	-50
	Indore	Mill Delivery	1700	1700	Unch
Rajasthan	Kota	Mill Quality	1565	1620	-55
U.P.	Mathura	Mill Quality Loose	1620	1620	Unch
Punjab	Khanna	Mill Quality Loose	1605	1605	Unch
Haryana	Sirsa	Mill Delivery loose	1585	1575	10

Commodity: Wheat  
Contract: April

Exchange: NCDEX  
Expiry: 18<sup>th</sup> April, 2014

### Wheat (Weekly Chart)



### Technical Commentary:

- Candle stick chart depicts range bound movement in the market.
- Fall in OI and Price indicate consolidation.
- RSI is in neutral zone.

### Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	February	1465	1475	1520	1540	1550
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	February	<b>Sell</b>	1519	1500	1490	1530

\*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:

**Recent showers of rains and expectation of more rains** in wheat growing belts in China has given much awaited respite to wheat growers in China. Heavy rainfall is considered an unexpected bonus since the winter climate is extremely dry in North China. February precipitation in winter wheat has accumulated to 0.50 to 2 inches.

**Global 2013/14 wheat supplies are lowered 1.1 million tons** with lower beginning stocks for Argentina and Russia and a 0.8-million-ton reduction in world production. Kazakhstan production for 2013/14 is lowered 1.6 million tons based on the latest official estimates which raised harvested area, but lowered the yield sharply from indications based on earlier harvest reports.

**Partly offsetting these reductions is a 0.6-million-ton increase for Brazil** where better-than-expected yields in southern wheat areas more than offset earlier freeze damage farther north. Ukraine production is also raised, up 0.3 million tons, on final government estimates.

**Foreign wheat exports for 2013/14 are lowered** as reductions for Kazakhstan and Argentina more than offset an increase for the European Union. Kazakhstan exports are lowered 1.5 million tons with the smaller crop. Exports are lowered 1.0 million tons for Argentina based on the slow pace of shipments.

**European Union exports are raised 1.5 million tons** reflecting the rapid pace of shipments and licensing. Wheat feeding is lowered for the European Union as increased corn imports and feeding free up wheat for export. Wheat feed use is lowered 0.2 million tons for South Korea as increased corn imports and feeding also displace wheat in that market.

**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.

## 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:

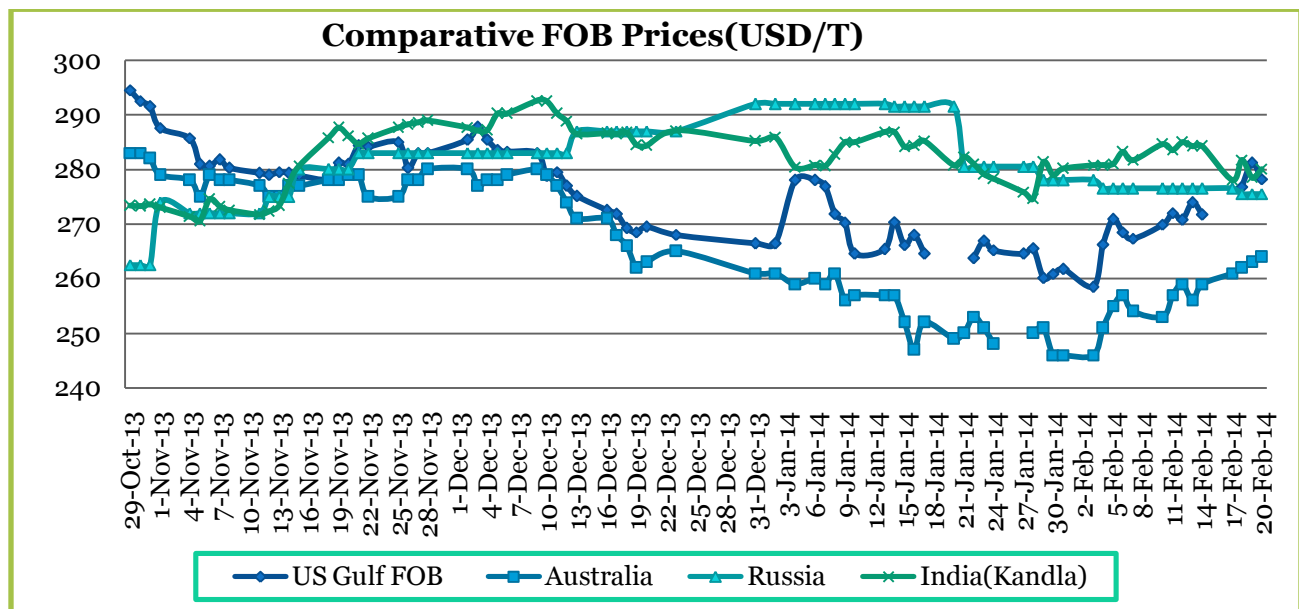
	Variety	% Change over Prev. Year	19.02.14	Week Ago 13.02.14	Month Ago (Jan)	3 Months Ago (Nov)	Year Ago (Feb)
USA (Gulf)	SRW 2	-13.28	281.22	273.90	265.78	294.20	324.30
France	FCW3	-19.62	269.36	265.17	266.76	268.51	335.10
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	NA
Australia	CWRS	-15.79	263.00	256.00	257.00	288.00	312.31
Russia	SRW	-17.02	275.50	276.50	292.00	254.00	332.00
Ukraine	SRW	-16.06	277.00	278.50	294.00	252.00	330.00
Argentina	SRW	-1.81	340.00	330.00	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: 20.02.14 (USD/T)							
CONTRACT MONTH	20 Feb 14	Week ago (14 Feb 2014)	1 Month ago(21 Jan 13)	3 Month ago(21 Nov 13)	6 Month ago(21 Aug 13)	1 Year ago(21 Feb 13)	% Change over previous year
14-Mar	226.41	219.89	206.57	240.56	242.76	280.14	-19.18
14-May	225.40	219.06	209.05	241.93	245.06	280.88	-19.75
14-Jul	226.78	220.62	211.44	241.01	243.40	279.59	-18.89
14-Sep	229.99	223.65	214.84	243.86	247.17	281.80	-18.38
14-Dec	234.49	228.16	219.52	247.81	251.21	284.92	-17.70
15-Mar	237.80	231.55	223.29	249.65	254.15	287.03	-17.15



***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.

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