

Domestic Market Updates:

According to IBIS (provisional data), export of wheat in the month of February was 6.75 Lakh tones which is around 4% more than last year at the same month, which was 6.48 Lakh tones in February 2013.

Cash wheat market traded slightly firm during the week under review. Recent rains, hails storm in M.P. and expected delay in harvesting due to high moisture level in the field remain supportive for the wheat market fundamental in the short term.

Besides, there is a short supply of premium grade wheat in private hands. Major buyers like flour millers are completely dependent on govt.'s stock. With this back ground market is expected to trade steady to slightly firm in the current week.

Crop size this year is expected to touch record despite report of loss in Madhya Pradesh and Rajasthan. Area coverage has been revised down from 314.34 lakh ha to 306 lakh ha. against previous year(296 lakh ha.).Market expects production in the range of 94 to 95 million tonne this year against govt.'s estimate of around 96 million tonne.

Private trades are active in Gujarat and they are buying new wheat around Rs 1670 to Rs 1700 per qtl. for export purpose.As arrival is yet to pick up,price would come down in the weeks ahead. As export opportunity is still live with price increase in global market,more buying from private trade is expected.

There is a talk in the market that moisture level in the field has increased considerably and harvesting in both the states may be delayed by 15 to 20 days. This has helped market to sustain near Rs 1550 to Rs 1570 per qtl. despite bumper production prospects. Higher offtake is expected from central pool stock in the month of March. However,overall sentiment remains bearish.

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.

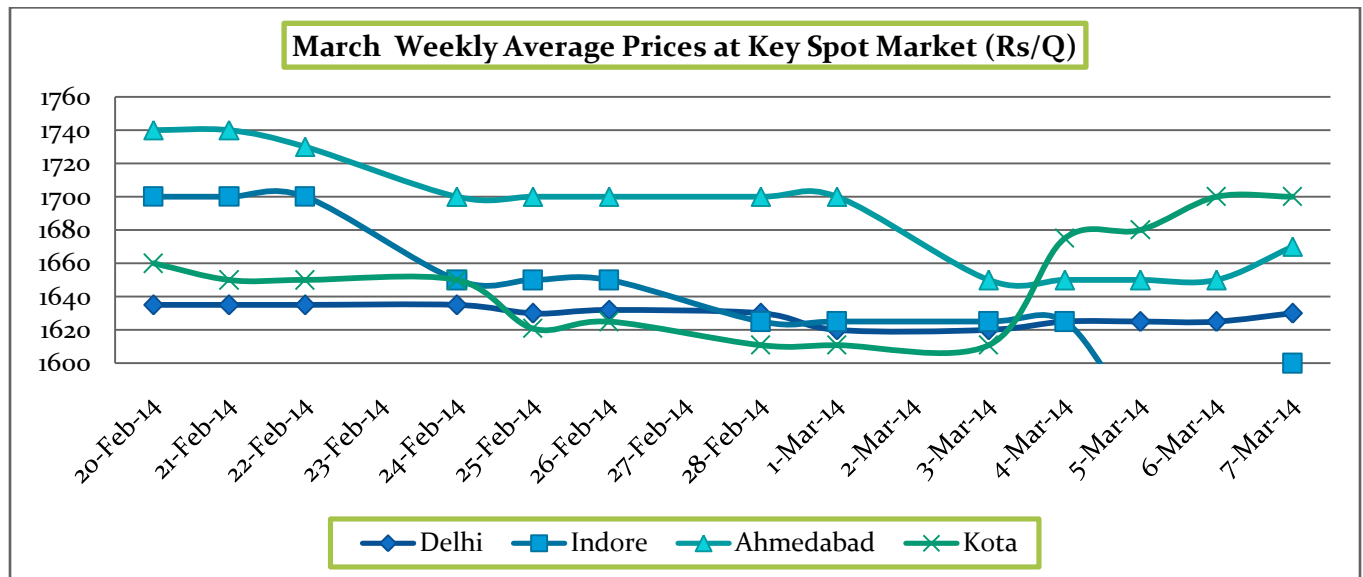
Glencore has won a tender to supply 50,000 tonnes of wheat to Bangladesh at \$303 a tonne including CIF liner out which could be sourced from India as it is competitive with rival supplies from the Black Sea region, as per trader.

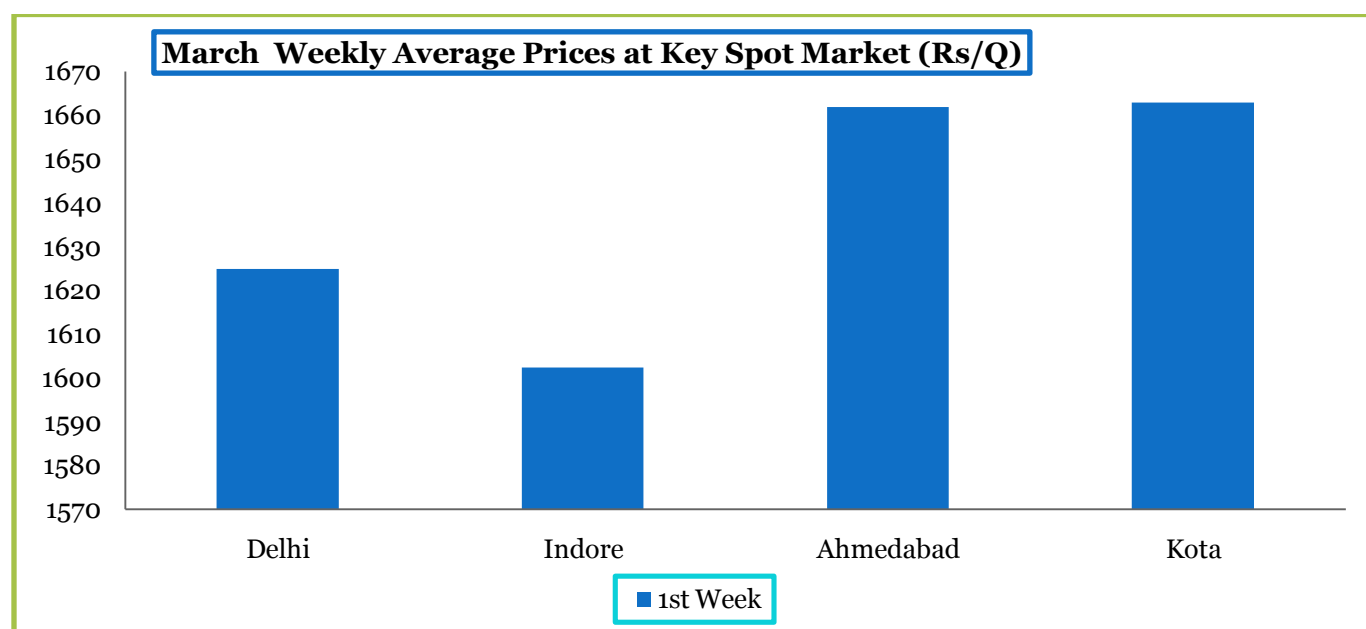
Weather Watch: (Source-IMD)

- Rain/snow would occur at isolated places over Jammu & Kashmir during next 24 hours and increase thereafter.
- Rain/snow would occur at a few places over Himachal Pradesh and at isolated places over Uttrakhand from tomorrow and increase thereafter.

- Rain/thundershowers would occur at isolated places over Punjab, Haryana & Delhi and east Rajasthan from tomorrow and at a few places thereafter and at isolated places over west Uttar Pradesh, west Rajasthan and Jharkhand on 10th.
- Rain/thundershowers would occur at isolated places over Vidarbha during next 24 hours and over west Madhya Pradesh during next 48 hours and increase thereafter.
- Rain/thundershowers would occur at isolated places over east Madhya Pradesh, Chhattisgarh, Odisha, south interior Karnataka, Lakshadweep and at a few places over Telangana
- Rain/thundershowers would occur at a few places over Marathwada, north interior Karnataka during next 48 hours and at isolated places thereafter.
- Rain/thundershowers would occur at isolated places over Madhya Maharashtra on 8th & 10th and at a few places on 9th.
- Rain/thundershowers would occur at isolated places over coastal Karnataka and Kerala during next 48 hours and mainly dry thereafter.
- Rain/thundershowers would occur at isolated places over north coastal Andhra Pradesh, Rayalaseema and Tamilnadu & Pondicherry during next 24 hours and mainly dry thereafter.
- Mainly dry/dry weather would prevail over rest of the country

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)

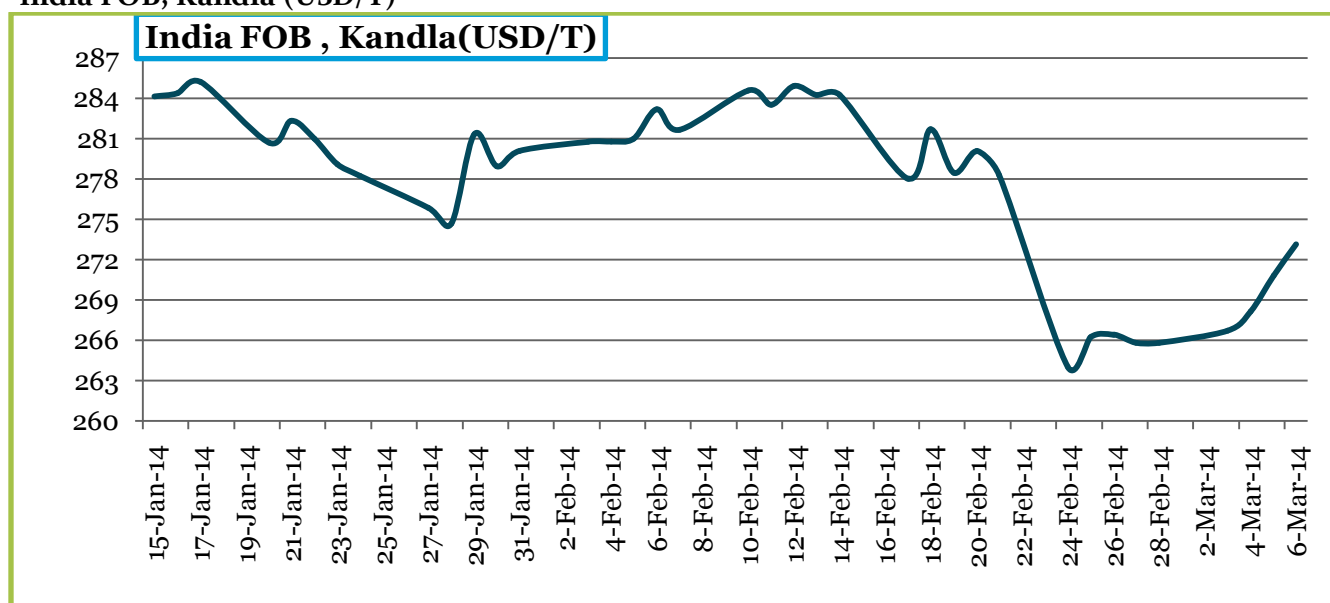
FOB Value as on 01.03.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14750	15200	16500	15500	15800	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)	15950	16850	18900	17450	17850	15700	19100
Indian FOB (USD/MT)	256.97	271.47	304.49	281.13	287.58	252.94	307.72
Insurance @ 0.1%	0.26	0.27	0.30	0.28	0.29	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	275	289	322	299	306	271	326
INR	62.07	62.07	62.07	62.07	62.07	62.07	62.07
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	35	21	-12	11	4	39	-16

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	07 Mar , 2014	week ago 28 Feb, 2014	Month ago 01 Feb 14	Year ago 01 Mar 2013	Change over previous Year %
Indore	1555	1645	1700	1520	2.30
Bareilly	1740	1750	1760	1680	3.57
Delhi	1632	1630	1641	1596	2.23
Khanna	NA	NA	1842	1687	NA
Kanpur	1740	1735	1745	1600	8.75
Karnal	NA	NA	1615	1515	NA
Rajkot	1570	1600	1710	1612	-2.61
Kota	1719	1675	1685	1600	7.42

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	6.75	277.70	218.93
Mar-14			
Total 13-14	51.46	283.43	240.87

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			07.03.2014	01.03.2014	
Delhi					
	Lawrence Road	Mill Quality	1630	1620	10
	Nazafgarh	Mill Delivery Loose	1580	1630	-50
	Narella	Mill Delivery Loose	1600	1565	35
Gujarat	Rajkot	Mill Delivery	1600	1575	25
	Ahmadabad	Mill Delivery	1670	1700	-30
M.P.	Bhopal	Mill Quality Loose	1500	1500	Unch
	Indore	Mill Delivery	1600	1625	-25
Rajasthan	Kota	Mill Quality	1600	1520	80
U.P.	Mathura	Mill Quality Loose	1650	1625	25
Punjab	Khanna	Mill Quality Loose	1650	1620	30
Haryana	Sirsa	Mill Delivery loose	1580	1585	-5

Commodity: Wheat
Contract: April

Exchange: NCDEX
Expiry: 18th April, 2014

Wheat (Weekly Chart)



Technical Commentary:

- Candle stick chart depicts upward movement in the market.
- Rise in OI and Price indicates Long Buildup.
- RSI is in overbought region.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	February	1600	1590	1582	1540	1530
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	February	Sell	1585	1575	1570	1891

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

Domestic Weekly Outlook: We expect wheat cash market to trade steady to slightly firm due to crop loss and export demand. However in the medium term market is expected to trade weak.

International Market Updates:

Algeria's state grains agency OAIC bought between 300,000 and 350,000 tonnes of milling wheat in a tender that closed on 4th March between \$310 and \$311 a tonne, cost and freight included, according to the trader.

Drought conditions across Australia's east coast will cut production of wheat next season and reduce exports. Australian wheat production is forecast to fall 8.2 percent to 24.795 million in the 2014/15 season from 27.013 million tonnes in the previous year as dry conditions curb yields.

Egypt, the world's biggest importer of wheat, bought 295,000 tonnes of Russian and Romanian wheat for March 15-31 shipment, the following breakdown of the purchases, with prices on a cost and freight basis: 55,000 tonnes of Russian wheat from Glencore at \$289.25 a tonne 60,000 tonnes of Russian wheat from Cargill at \$291.94 a tonne 60,000 tonnes of Romanian wheat from Ameropa at \$292.54 a tonne 60,000 tonnes of Russian wheat from Olam at \$293.15 a tonne 60,000 tonnes of Russian wheat from Cargill at \$293.15 a tone.

Tunisia's state grains agency purchased 75,000 tonnes of soft wheat in three consignments of 25,000 Tn each at \$301.95 a tonne c&f, \$299.15 a tonne c&f and \$299.92 a tonne c&f and the durum wheat was purchased in three consignments at \$419.29 a tonne c&f for 17,000 tonnes, \$422.29 a tonne c&f for 17,000 tonnes and \$418.27 a tonne c&f for the rest.

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.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12	2012-13 Est.	Projection for 2013-14	
						30.01.2014	27.02.2014
Production	685	679	653	695	655	707	708
Trade	137	128	126	145	141	147	146
Consumption	645	652	657	696	673	691	691
Carryover stocks	173	199	194	193	175	188	190
Y-O-Y change	41	27	-4	-1	-18	16	17
Major Exporters	69	79	73	69	48	56	56

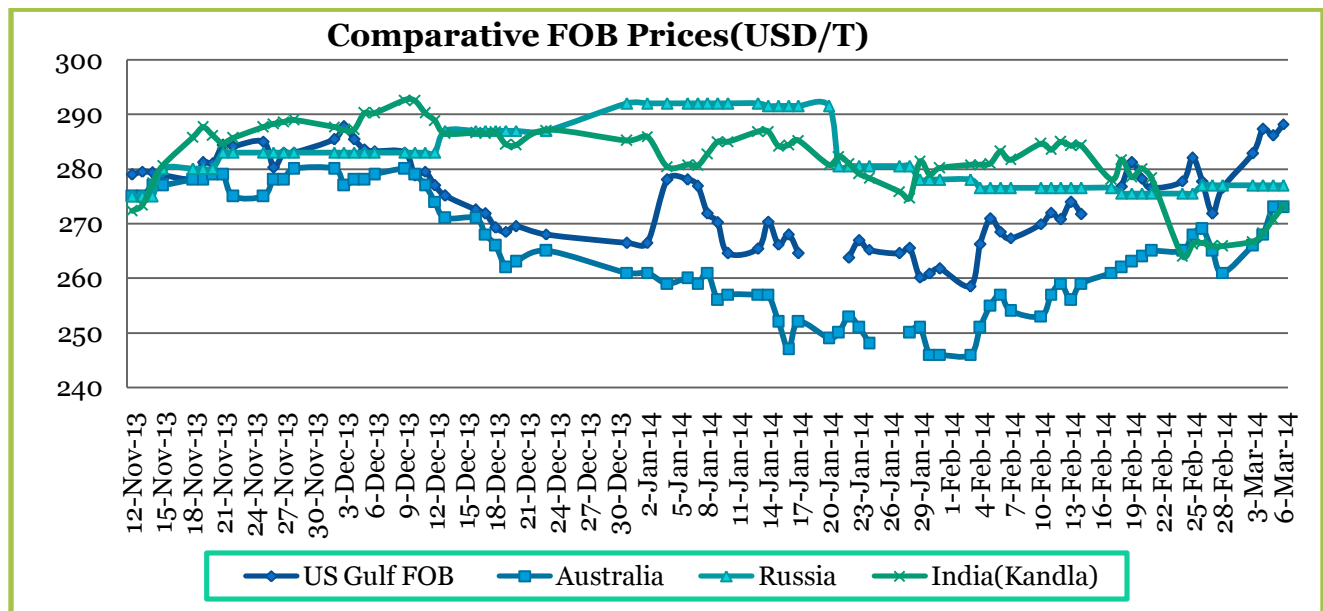
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	06.03.14	Week Ago 28.02.14	Month Ago (Jan)	3 Months Ago (Nov)	Year Ago (Feb)
USA (Gulf)	SRW 2	-11.14	288.18	276.59	265.78	294.20	324.30
France	FCW3	-15.91	281.80	273.4	266.76	268.51	335.10
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	NA
Australia	CWRS	-12.59	273.00	261.00	257.00	288.00	312.31
Russia	SRW	-16.57	277.00	275.50	292.00	254.00	332.00
Ukraine	SRW	-15.61	278.50	277.00	294.00	252.00	330.00
Argentina	SRW	-3.25	335.00	340	NA	315.00	346.25

Global wheat market is expected to trade weak on higher wheat production estimate of 711 million tonnes and IGC latest estimate of 708 million tonnes 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 (28 Feb 2014)	1 Month ago (03 Feb 13)	3 Month ago (02 Dec 13)	6 Month ago (03 Sept 13)	1 Year ago (01 Mar 13)	% Change over previous year
14-Mar	237.43	220.07	213.37	243.13	242.02	277.39	-14.40
14-May	240.28	221.27	213.92	244.87	244.69	277.48	-13.41
14-Jul	242.12	223.47	215.30	243.77	242.58	275.37	-12.07
14-Sep	244.78	226.50	218.33	246.53	245.42	277.57	-11.81
14-Dec	249.10	231.09	223.01	250.20	250.20	281.06	-11.37
15-Mar	251.21	234.68	226.69	252.40	252.95	283.36	-11.35

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 due to recent loss. However in medium term market is expected to trade slightly down due to expectation of good wheat production.

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> © 2014 Indian Agribusiness Systems Pvt Ltd.