

Domestic Market Updates:

Wheat export market remains favorable for India with ongoing issue between Russia and Ukraine. Besides, rough weather condition in US wheat growing plains and lower production estimate for Australia support the global wheat market. Prices are likely to hover at current level for next 8 to 10 days.

Under current scenario prices of wheat in domestic market are bound to decrease as harvesting starts in major wheat producing states like Madhya Pradesh and Rajasthan. Harvesting in Gujarat is in full swing and supply in local market would increase by the first week of April. Harvesting in Punjab, Haryana and Uttar Pradesh is expected to be delayed by a week /or two due to recent rains. Higher moisture level in the field has delayed the maturity of the crop.

We see Indian wheat exports increasing as long as prices are above US\$ 260 per tonne. As per latest market update Indonesian wheat mills are looking for 40,000 tonnes from India while another 50,000 tonne Indian wheat tender was confirmed for April shipment to Bangladesh.

Indian wheat export to Saudi Arabia is also forecast to increase to 200,000 tonnes this year, up from 60,000 tonnes shipped last year. India was sitting on a wheat stock of around 21 million tonnes as on March this year. Harvesting is just to commence and India expects record production of over 95 million tonne this year.

As per by 2nd advance estimate, wheat production is likely to increase by 3.35 % to 95.60 Million Tonne from target figure of 92.50 Million tonnes. However, private trade estimate is around 96 Million Tonne.

Wheat arrival in Gujarat has increased to 35000 bags per day and increasing. Private buyers are offering Rs 1710-1735 per quintal to farmers as quality of new crop is excellent.

Prices of FAQ variety in Delhi are hovering in the range of 1660-1670. Private millers and buyers are waiting for new crop as they could get wheat near MSP in the month of April.

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.

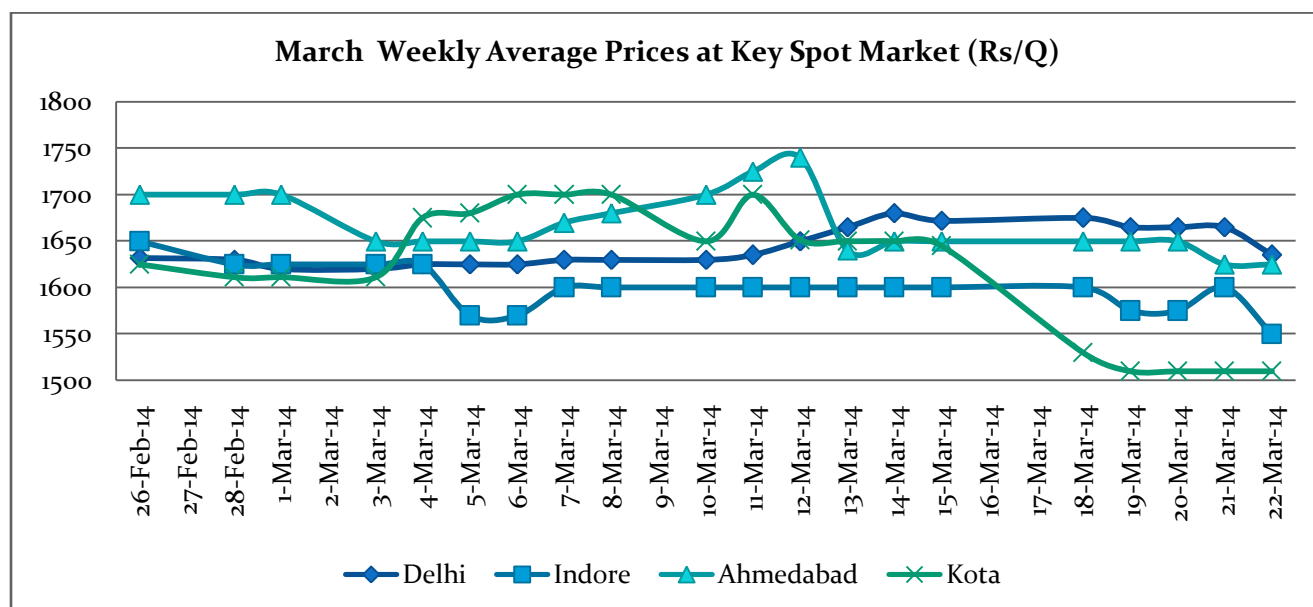
Indian exporters can get better price for wheat in the global market as demand for Indian wheat would increase in absence of Russia and Ukraine. However, if issues get settle between Russia and Ukraine wheat prices would decrease.

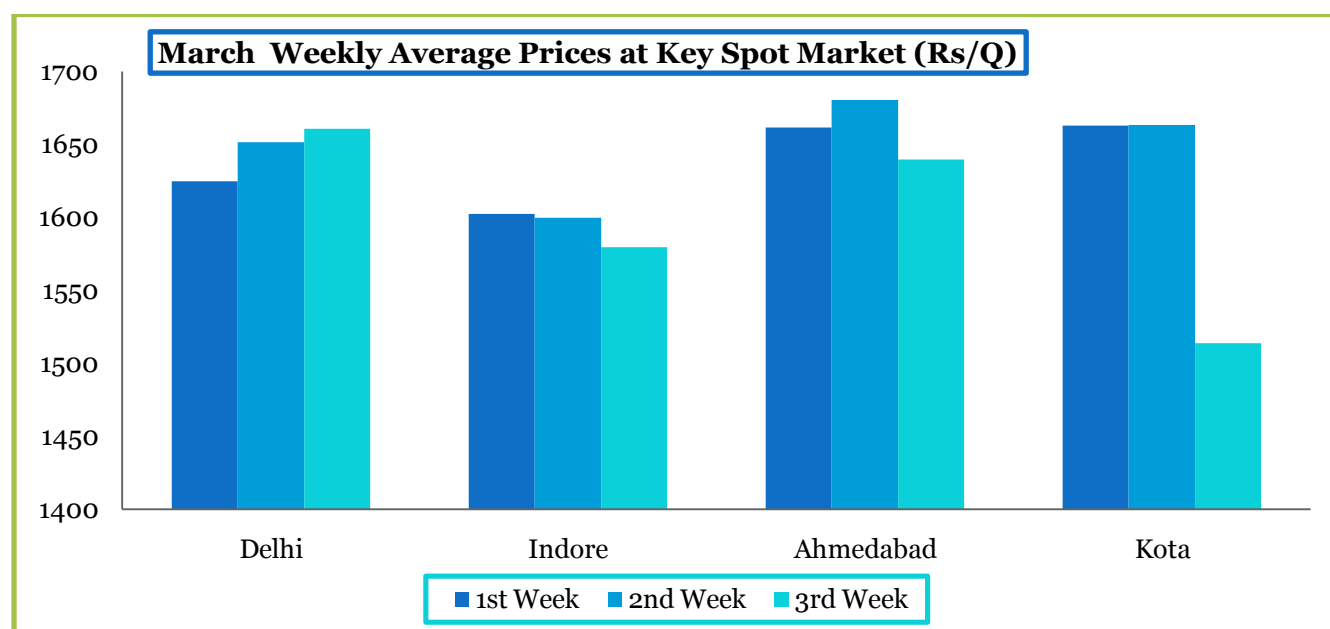
Private trade would remain active in Gujarat, M.P, and Rajasthan for premium grade as export opportunity is there. Market participants says that wheat quality is affected considerably in Madhya Pradesh and discoloured wheat would be used by millers. Actual loss is still being asseessed and the clear picture would emerge in a week or two.

Weather Watch: (Source-IMD)

- Rain/snow would occur at many places over Jammu & Kashmir during next 24 hours and at most places during subsequent next 24 hours and decrease thereafter.
- Rain/snow would occur at many places over Himachal Pradesh during next 48 hours and decrease thereafter.
- Rain/snow would occur at isolated places over Uttarakhand during next 24 hours and at a few places thereafter.

- Rain/thundershowers would occur at isolated places over Punjab and Haryana & Delhi during next 24 hours and at a few places subsequent 24 hours.
- Rain/thundershowers would occur at isolated places over north Rajasthan and west Uttar Pradesh during next 48 hours and mainly dry thereafter.
- Rain/thundershowers would occur at isolated places over Arunachal Pradesh, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura.
- Rain/thundershowers would occur at isolated places over sub-Himalayan West Bengal & Sikkim and Odisha during next 48 hours and mainly dry thereafter.
- Rain/thundershowers would occur at a few places over Gangetic West Bengal during next 24 hours and decrease thereafter.
- Rain/thundershowers would occur at isolated places over Kerala and Lakshadweep during next 24 hours and mainly dry thereafter.
- Rain/thundershowers would occur at isolated places over Marathwada from 24th onwards.
- Mainly dry/dry weather would prevail over rest of the country





Key spot wheat mill delivery prices traded steady to moderately weak due to arrival of the new crop.

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.03.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	6.25	0.00	6.25
NORTH EAST ZONE	0.44	0.00	0.44
NORTH ZONE	63.91	94.17	158.08
SOUTH ZONE	5.61	0.00	5.61
WEST ZONE	11.98	22.67	34.65
TOTAL	88.19	116.84	205.03

(Figures in Lakh Tonnes)

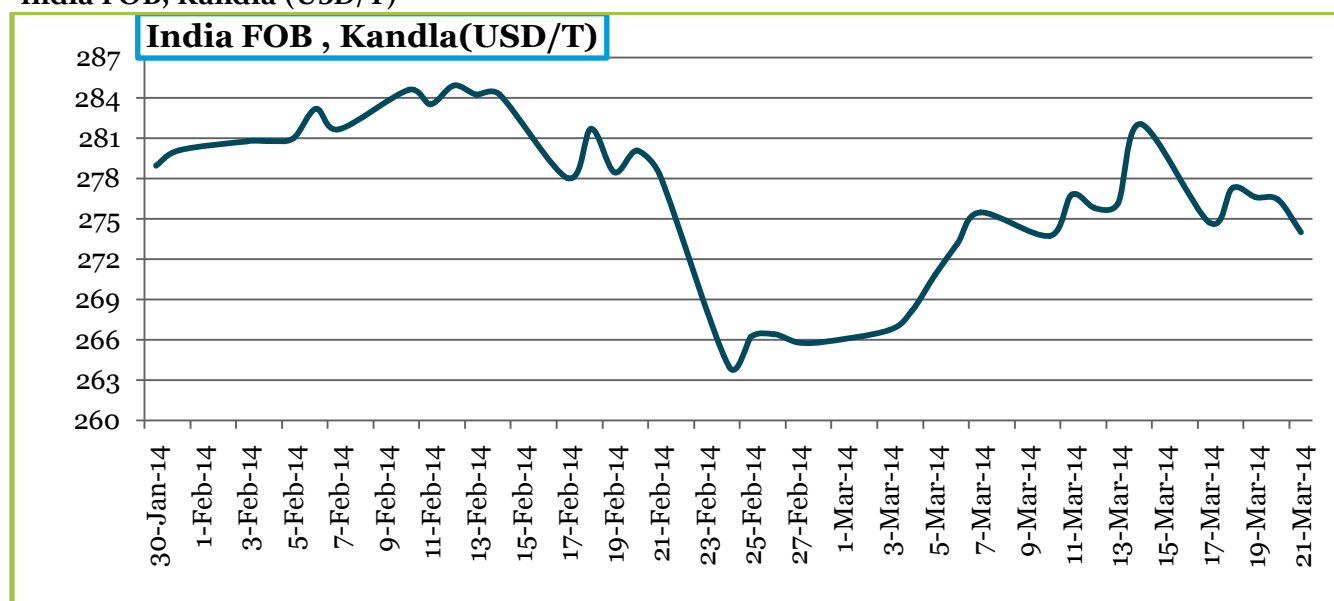
FOB Value as on 21.03.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15200	15100	16900	15000	16150	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)	16400	16750	19300	16950	18200	15700	19100
Indian FOB (USD/MT)	264.22	269.86	310.94	273.08	293.22	252.94	307.72
Insurance @ 0.1%	0.26	0.27	0.31	0.27	0.29	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	282	288	329	291	311	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)	28	22	-19	19	-1	39	-16

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	21 Mar , 2014	week ago 15 Mar, 2014	Month ago 13 Feb 14	Year ago 13 Mar 2013	Change over previous Year %
Indore	1553	1550	1690	1493	4.02
Bareilly	1735	1770	1748	1600	8.44
Delhi	1650	1670	1640	1584	4.17
Khanna	NA	NA	NA	1675	NA
Kanpur	1740	1740	1700	1510	15.23
Karnal	NA	NA	NA	1520	NA
Rajkot	1560	1574	1685	1525	2.30
Kota	1631	1713	1703	1550	5.23

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
			21.03.2014	14.03.2014	
Delhi	Lawrence Road	Mill Delivery	1665	1680	-15
	Nazafgarh	Mill Delivery Loose	1615	1650	-35
	Narella	Mill Delivery Loose	1550	1580	-30
Gujarat	Rajkot	Mill Delivery	1625	1625	Unch
	Ahmedabad	Mill Delivery	1625	1650	-25
M.P.	Bhopal	Mill Quality Loose	1400	1450	-50
	Indore	Mill Delivery	1550	1600	-50
Rajasthan	Kota	Mill Quality	1510	1550	-40
U.P.	Mathura`	Mill Quality Loose	1650	1660	-10
Punjab	Khanna	Mill Quality Loose	1560	1610	-50
Haryana	Sirsa	Mill Delivery loose	1580	1575	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 neutral region.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	February	1520	1535	1585	1620	1640
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	February	Sell	1590	1570	1560	1602

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

Domestic Weekly Outlook: We expect wheat cash market to trade steady to slightly weak due to new arrival hitting in the western states.

International Market Updates:

Tunisia's state grains agency purchased 34,000 tonnes durum wheat in two 17,000 tonne consignments at \$435.49 and \$437.89 a tonne c&f and seller of both was Casillo Commodities.

Global wheat market continues to trade higher due to unrest in Ukraine and dry weather across the key U.S. wheat growing regions. Uptrend is likely to continue in the short term.

Major importing countries like Iran, Saudi Arabia, Morocco, Syria, Algeria, Iraq, and Turkey are expected to import more wheat in the months ahead.

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

Israeli private buyers have purchased 25,000 MT of animal feed wheat at \$293.50 a MT c&f, thought likely to be sourced from US.

Japan's Ministry of Agriculture is seeking to buy a total of 118,795 tonnes of food quality wheat from the United States and Australia in a tender that will close late on 19.3.2014.

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

Global 2013/14 wheat supplies are raised slightly with a 0.8-million-ton increase in world production. Production is raised 1.1 million tons for India and 0.5 million tons for Australia. China is lowered 0.3 million tons, Uruguay by 0.3 and Paraguay by 0.2 million tons respectively.

Strong demand in the Middle East and North Africa boosts 2013/14 world wheat imports 3.0 million tons. Imports are raised for Iran, Saudi Arabia, Morocco, Syria, Algeria, Iraq, and Turkey. Exports are raised for the European Union, Russia, Serbia, and Turkey. European Union exports are raised 1.5 million. For Russia, higher wheat imports and reduced wheat feeding support a 1.0-million-ton increase in wheat exports.

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

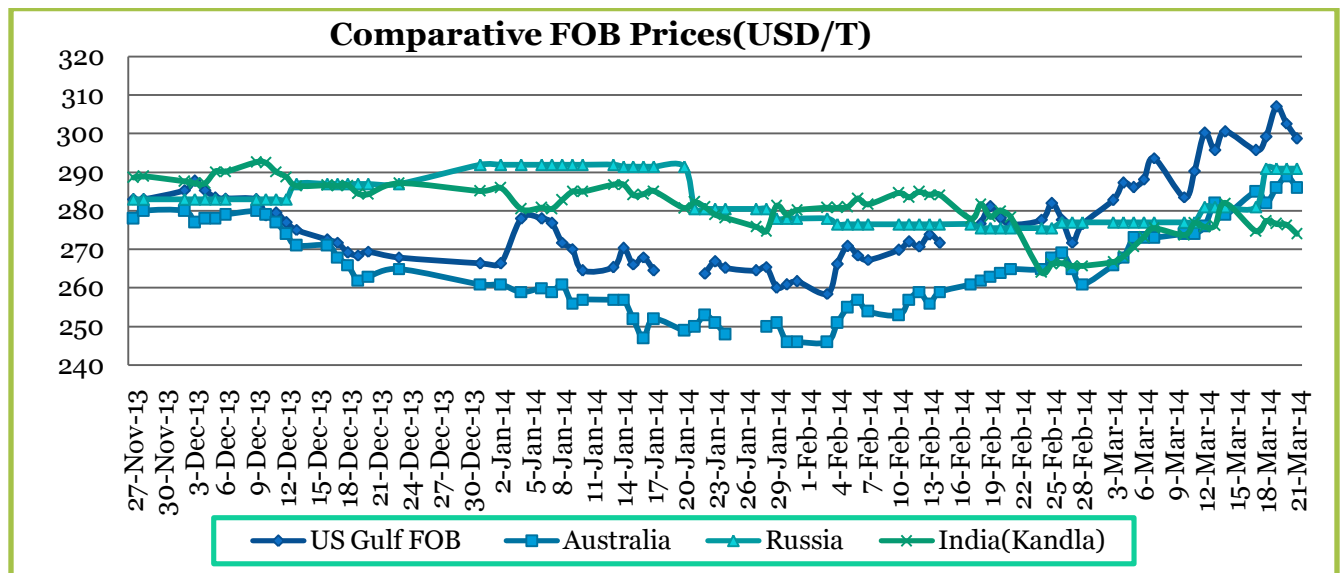
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	21.03.14	Week Ago 13.03.14	Month Ago (Jan)	3 Months Ago (Nov)	Year Ago (Feb)
USA (Gulf)	SRW 2	1.46	298.79	295.76	278.21	279.30	294.50
France	FCW3	-11.01	288.15	293.27	267.27	271.13	323.80
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	NA
Australia	CWRS	NA	NA	282.00	264.00	277.00	282.69
Russia	SRW	6.99	291.00	281.00	275.50	272.00	272.00
Ukraine	SRW	6.75	292.50	282.50	278.50	274.00	274.00
Argentina	SRW	19.55	365.00	335.00	340.00	315.00	305.32

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: 21.03.14 (USD/T)							
CONTRACT MONTH	21 Mar 14	Week ago (13 Mar 2014)	1 Month ago (21 Feb 13)	3 Month ago (20 Dec 13)	6 Month ago (20 Sept 13)	1 Year ago (20 Mar 13)	% Change over previous year
14-Mar	254.70	247.54	209.05	228.06	243.49	280.42	-9.17
14-May	255.53	249.10	223.84	229.53	241.57	277.94	-8.06
14-Jul	258.10	252.22	226.96	233.02	243.40	279.50	-7.66
14-Sep	261.59	255.80	231.65	237.71	247.35	283.27	-7.65
14-Dec	263.61	257.91	234.86	240.65	250.38	285.01	-7.51
15-Mar	263.43	258.47	235.23	240.83	251.39	286.11	-7.93

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.