

Domestic Market Updates:

Wheat cash market is likely to trade steady to slightly up in the incoming weeks as private traders has restricted releasing their stocks due to disparity. Wheat stock released from the central pool is expected July onward for OMSS there is general talk in the market that government may increase OMSS price in the range of Rs 35-50/ quintal .It may support cash market at current level.

Despite of slower start of procurement, wheat procurement by the end of June touched 27.9 Mnt as expected in April by Agriwatch. It is 10% higher from last year due to higher lifting from Punjab, Haryana and MP.

Punjab contributed 5.5 % higher wheat to central pool kitty in comparison to last year, its procurement has increased 11Mnt to 11.6Mnt this year. Haryana too has contributed 16 % higher wheat to central pool kitty to 6.49Mnt.

Total arrival in grain market by the end of June registered at 34.5Mnt on all India basis out of it 27.9Mnt have been lifted by FCI and other state agencies, the remaining 6.6Mnt has been lifted by private trades and flour millers.

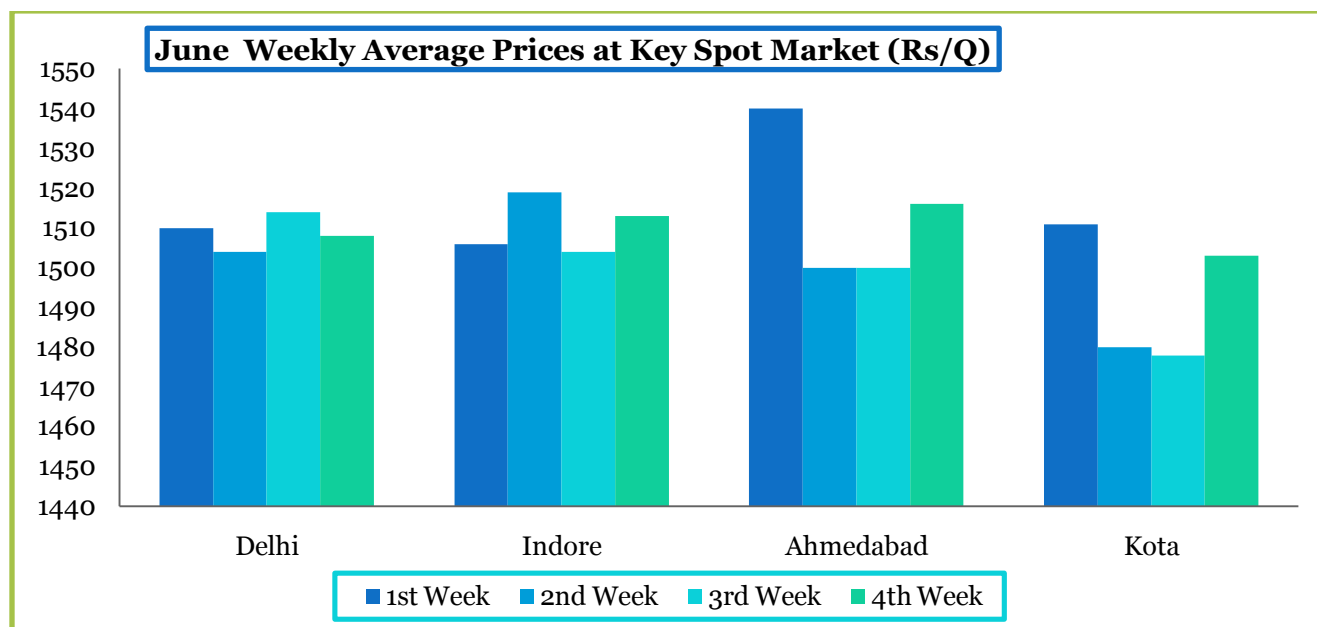
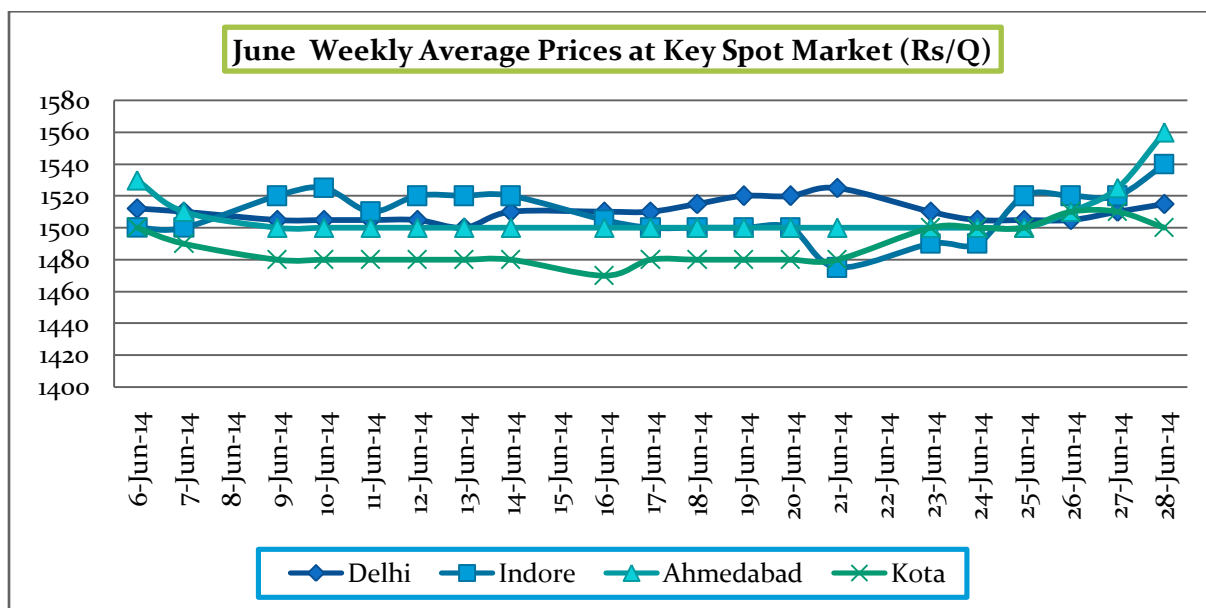
Demand for wheat product in festive season is expected by the end of July and it will help wheat price to get firmer in the weeks ahead. However, supply side will remain ample as farmers in UP still holds 20-30 % marketable surplus stock in their hands, the stock will continue to hit market in July.

On export front there is no hope as bearish tone continues to dominate global market on the back of higher production prospects in Black Sea Region and ample marketable surplus in US. Russia and Ukraine has sold out wheat to Pakistan at \$260 per tonne on c&f basis to be delivered in July and August. Against this India is unable to offer below \$263/64 per tonne on FOB basis. As domestic market is expected to get firmer July onward, it would be very difficult for Indian exporters to compete from Russia and Ukraine.

Wheat stock in central pool warehouses was registered at 40.10 million T on 16 June compared to 41.58 million T on 1st June 2014. The highest accumulated stock is in Punjab (15.90 million T) followed by Madhya Pradesh (8.21 million tonne) and Haryana (7.75 million tonne) as on 16.06.2014.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at many places over northeast & east India and along west coast.
- Rain/thundershowers would occur at many places over western Himalayan region and at a few places over adjoining plains of northwest India and peninsular India.
- Rain/thundershowers would occur at isolated places over most parts of rest of the country



Key spot wheat mill delivery prices traded steady to slightly firm due to less arrival.

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.06.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.96	0.00	8.96
NORTH EAST ZONE	0.90	0.00	0.90
NORTH ZONE	115.42	172.19	287.61
SOUTH ZONE	9.04	0.00	9.04
WEST ZONE	16.24	80.33	96.57
TOTAL	150.56	252.52	403.08

(Figures in Lakh Tonnes)

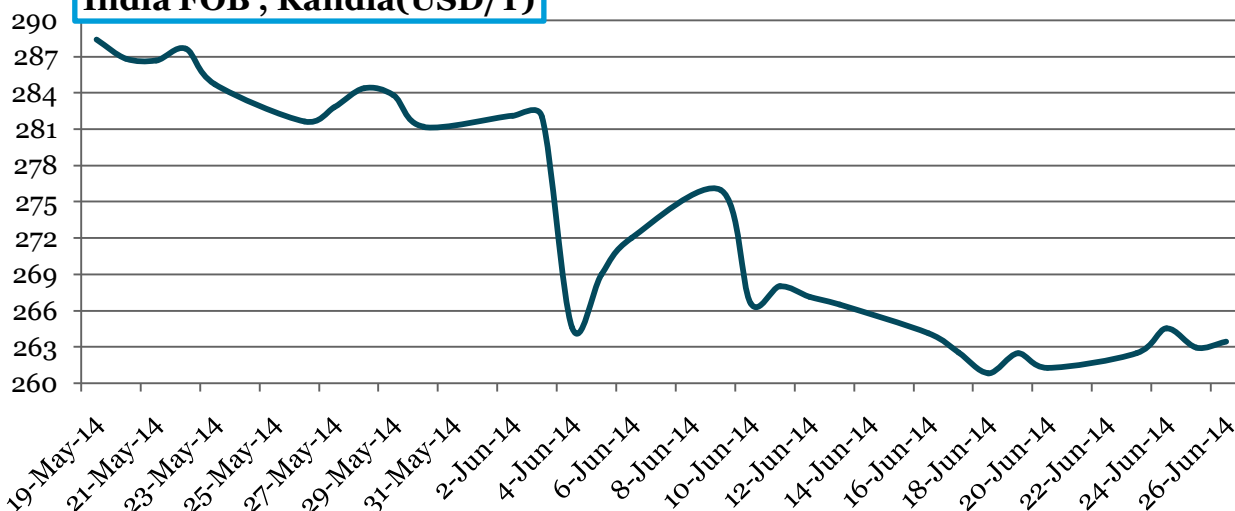
FOB Value as on 28.06.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14850	14300	14500	14600	14300	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)	16050	15950	16900	16550	16350	15700	19100
Indian FOB (USD/MT)	267.10	265.44	281.24	275.42	272.09	261.27	317.86
Insurance @ 0.1%	0.27	0.27	0.28	0.28	0.27	0.26	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	285	283	299	293	290	279	336
INR	60.09	60.09	60.09	60.09	60.09	60.09	60.09
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	25	27	11	17	20	31	-26

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	27 Jun, 2014	week ago 20 June, 2014	Month ago 27 May 14	Year ago 27 June 2013	Change over previous Year %
Indore	NA	1493	1545	1578	NA
Bareilly	1508	1515	1533	1590	-5.16
Delhi	1510	1525	1530	1580	-4.43
Khanna	NA	NA	NA	1701	NA
Kanpur	1500	1495	1515	-	NA
Karnal	NA	NA	NA	1478	NA
Rajkot	1535	1520	1580	1598	-3.94
Kota	1523	1517	1590	1623	-6.16

India FOB, Kandla (USD/T)

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 - Mar 14	55.54	282.82	241.6
4/1/2014*	4.27	278.33	250.82
May-14	7.7	283.85	230.45
Jun-14			
Jul-14			
Aug-14			
Sep-14			
Oct-14			
Nov-14			
Dec-14			
Jan-15			
Feb-15			
Mar-15			
Total 14-15	11.97	281.09	240.63

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			28.06.2014	20.06.2014	
Delhi					
	Lawrence Road	Mill Delivery	1515	1520	-5
	Nazafgarh	Mill Delivery Loose	1470	1475	-5
	Narella	Mill Delivery Loose	1510	1490	20
Gujarat	Rajkot	Mill Delivery	1560	1500	60
	Ahmedabad	Mill Delivery	1565	1525	40
M.P.	Bhopal	Mill Quality Loose	1460	1475	-15
	Indore	Mill Delivery	1540	1500	40
Rajasthan	Kota	Mill Quality	1430	1400	30
U.P.	Mathura`	Mill Quality Loose	1450	1440	10
Punjab	Khanna	Mill Quality Loose	1410	1410	Unch
Haryana	Sirsa	Mill Delivery loose	1415	1415	Unch

*Old crop

Commodity: Wheat
Contract: July

Exchange: NCDEX
Expiry: 18th July, 2014

Wheat (Weekly Chart)



Technical Commentary:

- Candle stick chart depicts upward movement in the market.
- Rise in price and fall in O.I. indicates weak market.
- RSI is in neutral region.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	July	1490	1500	1530	1550	1560
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	July	Buy	1527	1537	1542	1521

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

Domestic Weekly Outlook: Market is bound to stay steady to slightly firm during the week.

International Market Updates:

Private importers in Pakistan have purchased about 55,000 tons of Black Sea-origin wheat probably from Russia or Ukraine around \$266 a tons c&f for August/September shipment. They are still negotiating on more wheat purchases as bad harvesting this year have generated the import demand.

The US wheat exporters may see tough time in the months ahead. Acting chairman of the US department of Agriculture outlook board Seth Meyer has expressive some pessimistic view on export front. According to him US exporters have to face the problem of lower availability of wheat for export. US winter crop size is expected to be lower by 10 percent from last year. Besides, total wheat supply may decrease by 11 percent. Wheat production prospects at global level too has improved in recent weeks. IN EU, wheat production may increase by 1.4 million tonne. Russian can harvest 1 million tonne higher wheat than last year. Better production prospects for China is not a remote possibility. All these developments hints towards lower export prospects for US wheat. US wheat export may decrease by 21 percent in current season.

CBOT wheat futures improve after having a five week slide. Actually, market has traded up due to increasing expectation that buyers would take fresh position at the lower level. Besides, rains in US plains, where crop is in maturity stage, may affect grain quality. Forecast for rains in the central and south west wheat growing belts may hamper harvesting by a week or two. Rains on matured wheat may affect grain weight and its baking quality.

Wheat production in Bulgaria is likely to increase to 5 million tonne from 4.7 million tonne three years back as per latest update by Agriculture Minister. The main reason for the record yield is the additional 11 M decares sown under bread wheat. Agriculture Ministry data shows that the unusually wet spring has not harmed much the crops. Most of the damage from heavy rains and hail is on 32 000 decares – in the regions of Pleven, Stara Zagora, Yambol and Kazanlak.

Algeria state grains agency OAIC has purchased between 200,000 and 250,000 tonnes of durum wheat in the range of USD 398 to 408/tonne c&f probably from Canada or the European Union for shipment in August .

Black Sea countries such as Russia tend to dominate wheat exports at the start of the international marketing year, which begins in July, as they offload large volumes at often attractive prices.

According to the International Grains Council, world production is projected to fall by 2% to 694m t in 2014/15 with average yields retreating from last season's unusually high levels.

Winter wheat production in South Dakota is likely to increase by 50 percent this year in comparison to 2013. The Agriculture Department's latest estimate is 49.1 million bushels, up 88 percent over the year. The average yield is forecast at 45 bushels per acre, up 6 bushels from last year.

Philippines animal feed makers have purchased 105,650 tonnes of feed wheat at USD 266.75/tonne (c&f) for July/August shipment. The wheat may be sourced from the Black Sea region or European Union as FoB prices will be more competitive from other exporting countries.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13 Est.	2013-14 Forecast	Projection for 2013-14	
						29.05.2014	26.06.2014
Production	679	653	695	655	710	694	699
Trade	128	126	145	140	152	145	144
Consumptions	652	657	698	675	690	698	697
Carryover stocks	199	194	192	172	192	187	194
Y-O-Y change	27	-4	-3	-21	20		2
Major Export	79	73	68	48	55	52	57

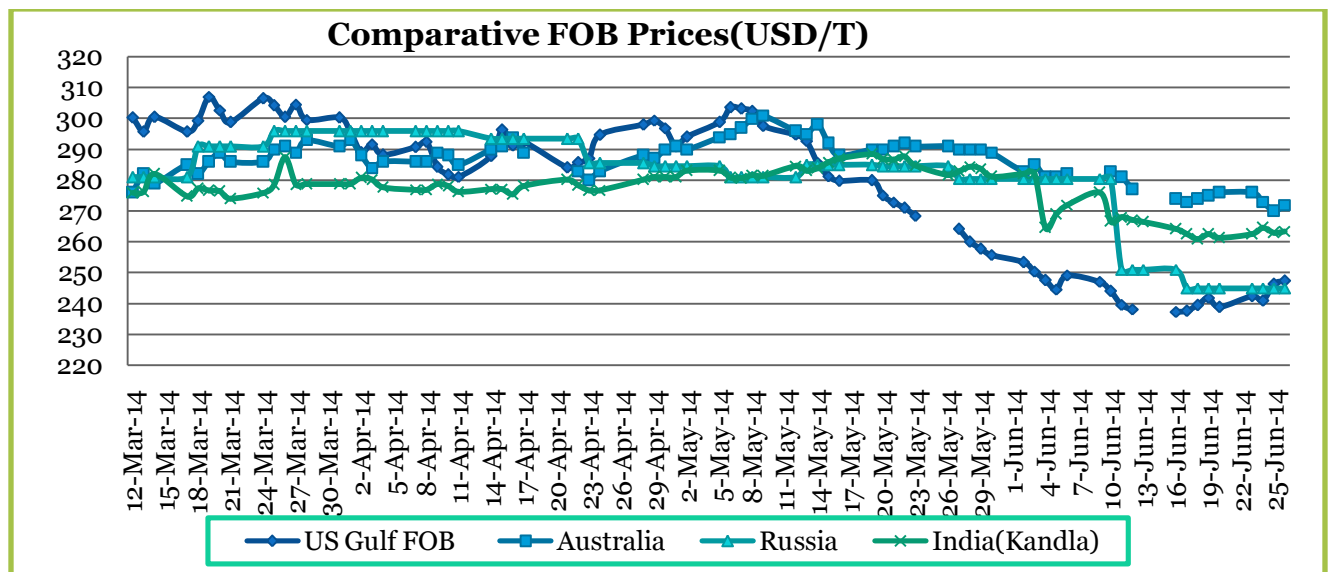
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	25.06.14	Week Ago 18.06.14	Month Ago (May)	3 Months Ago (Mar)	Year Ago (June)
USA (Gulf)	SRW 2	-6.98	246.33	239.53	264.25	304.52	264.80
France	FCW3	-4.82	247.85	248.49	251.62	283.24	260.40
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	253.60
Australia	CWRS	-23.58	270.00	274.00	290.00	289.00	353.31
Russia	SRW	-5.77	245.00	245.00	280.50	296.50	260.00
Ukraine	SRW	-5.92	246.50	246.50	282.00	297.50	262.00
Argentina	SRW	6.62	290.00	290.00	NA	340.00	272.00

Global wheat market is expected to trade weak on higher wheat production estimate of 694 million tones and IGC latest estimate of 709 million tones may keep market under pressure in medium term.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 27.06.14 (USD/T)							
CONTRACT MONTH	27 June 14	Week ago (20 June 2014)	1 Month ago(27 May 14)	3 Month ago(27 Mar 14)	6 Month ago(27 Dec 13)	1 Year ago(27 June 13)	% Change over previous year
14-Mar	215.02	215.02	235.50	262.51	228.25	262.97	-18.23
14-May	218.14	217.96	239.91	265.35	231.83	265.26	-17.76
14-Jul	225.12	226.23	247.08	269.03	236.61	267.83	-15.95
14-Sep	232.29	233.12	253.32	271.42	239.54	268.84	-13.60
14-Dec	236.79	237.25	256.26	270.68	239.82	269.40	-12.10
15-Mar	240.28	239.54	257.09	265.26	237.71	269.12	-10.72

CBOT July 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- In Western Australia, widespread showers (5-25 mm, locally more) and seasonably mild weather maintained good to excellent early-season yield prospects for vegetative wheat. Farther east, scattered showers (5-20 mm) in South Australia, Victoria, and New South Wales continued to benefit winter grains. In southern Queensland, sunny skies and generally adequate topsoil moisture spurred winter wheat development. Unseasonably mild weather hastened winter crop development in southern and eastern Australia. Temperatures averaged 1 to 2°C above normal, with maximum temperatures mostly in the upper 10s degrees C.

Argentina- Dry weather dominated the region, improving fieldwork conditions in recently wet eastern farming areas. Virtually no rain fell in the region, with only a few locations recording scattered, light showers (less than 5 mm). Following last week's heavy rain, the dryness was particularly welcome in Buenos Aires and Entre Rios. Weekly average temperatures were near to slightly above average in western agricultural areas and near to slightly below normal in the east. For most of the week, high temperatures ranged from the lower and middle teens (degrees C) in southern farming areas to the lower and middle 20s in the north, though somewhat cooler weather occurred on some days. Nighttime temperatures dropped as low as -5°C in some areas early in the week, but a warming trend developed at week's end.

Russia and Ukraine- Widespread showers and below-normal temperatures further improved yield prospects for wheat across much of the region. A slow-moving cold front generated periods of light to moderate rain from eastern Ukraine into southern and western Russia, boosting soil moisture for reproductive to filling winter wheat and vegetative summer crops. In addition, sharply cooler weather (up to 4°C below normal) eased any lingering concerns over heat stress from the previous weeks, with daytime highs dropping to near-ideal levels (24-30°C) for crop development. The rain also eased short-term moisture shortages in eastern portions of the Volga District, improving conditions for spring wheat.

International Weekly Outlook:

Global wheat market is bound to trade under pressure due to lower quotes in Black Sea Region, ample marketable surplus in US and decreasing COBT futures market.

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