Domestic Market Updates:

Demand for wheat from south India has declined in recent weeks as prices of wheat continue to trade under pressure in central and north Indian market. Private stockists are unwilling to retain stock as export opportunity has almost diminished amid bearish global outlook. Farmers in Uttar Pradesh still have ample marketable surplus and they sell it at very competitive price. Wheat cash market may stay steady next week. However, fresh demand from millers may support market by the end of July.

Finally wheat procurement ended on 30th June with 28 million tonne , higher by 3 million tonne from last year. Despite slower start in the beginning of April, FCI and other govt 's agencies manage to buy 28 million tonne wheat against the set target of 31 million tonne for MY 2014-15.

Punjab and M.P. emerged the biggest contributors to the central pool kitty contributing 11.6 and 7.0 million tonne respectively. Both the states have contributed 10.8 and 6.3 million tonne last year. Haryana has contributed 6.4 million tonne this year against 5.8 million tonne last year. Rajasthan and Uttar Pradesh have brought 2.5 and 0.59 million tonne wheat this year.

This year private trades purchasing has increased over 100 percent from last year. Private trades including millers have brought 7 million tonnes of wheat against 3 million tonne last year. Due to 3 million tonne higher procurement central pool stock has reached 42 million tonne in the beginning of June. It is quite higher than actual requirement under buffer norm and strategic reserves
.

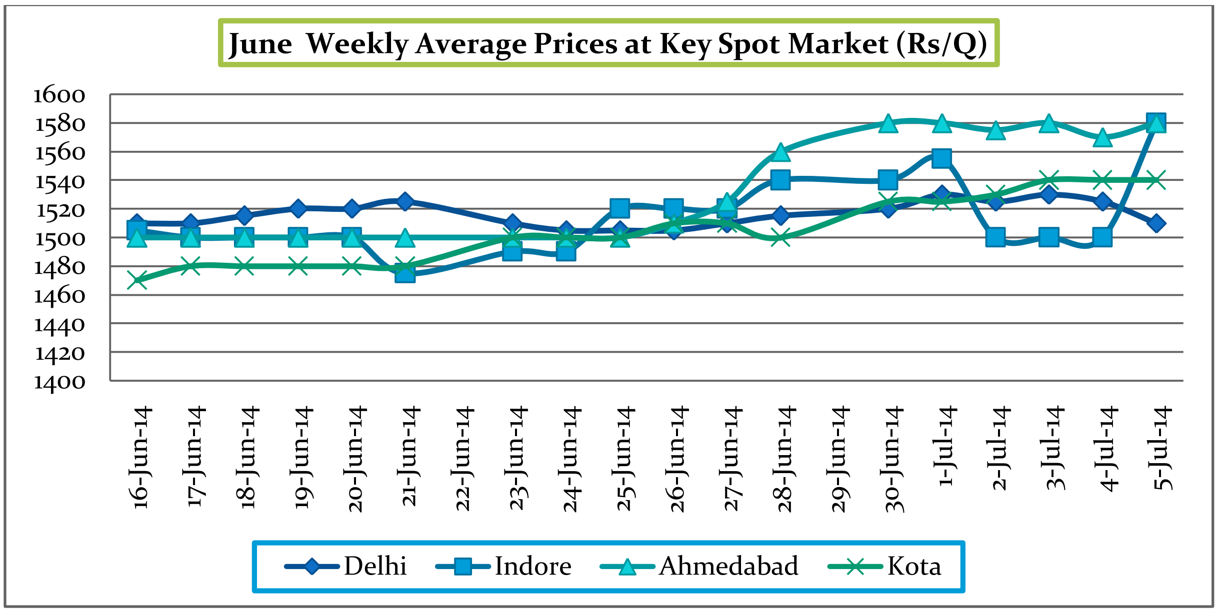
With the end of procurement season and increasing demands for wheat products prices of wheat may increase by Rs 30 to Rs 50 per quintal. By the end of July, private trades have restricted release of wheat in open market as prices are not matching their interest. They had procured wheat at higher than MSP in anticipation of higher export. Now prices in the open market are hovering near MSP and so they have decided to hold on stock at least for two months. Now their retaining cost including procurement cost has gone up to Rs 1550 per quintal against the prevailing rate of Rs 1400 to Rs 1500 per quintal in various mandis of Uttar Pradesh.

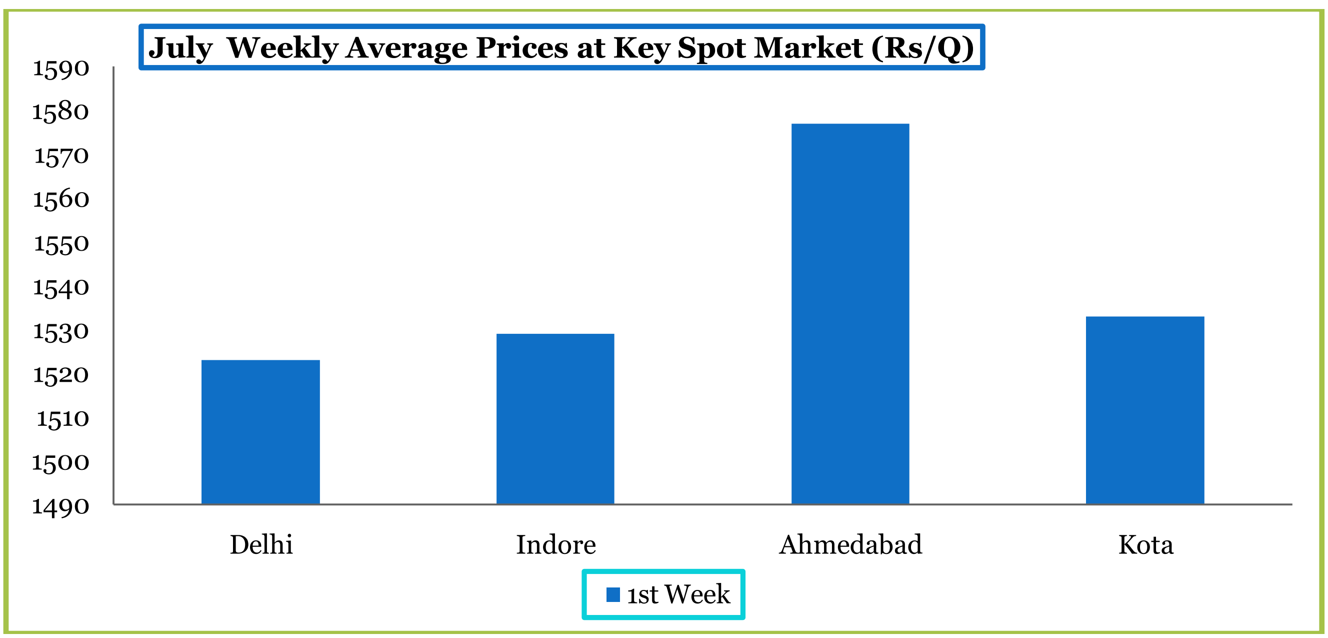
ITC can start procuring wheat once again in Uttar Pradesh. Government would start releasing wheat for OMSS July end and price for OMSS may be revised slightly up (Rs 50 per qtl.) from last year. All these developments may encourage wheat price in the weeks ahead.

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.

Weather Watch: (Source-IMD)

- A low pressure area may form over northwest and adjoining west central Bay of Bengal around 11th July, which may subsequently increase rainfall activity over peninsular and central India.
- Rain/thundershowers would occur at many places over northeast & east India and alo ng west coast.
- Rain/thundershowers would occur at a few places over western Himalayan region and at isolated places over remaining parts 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)

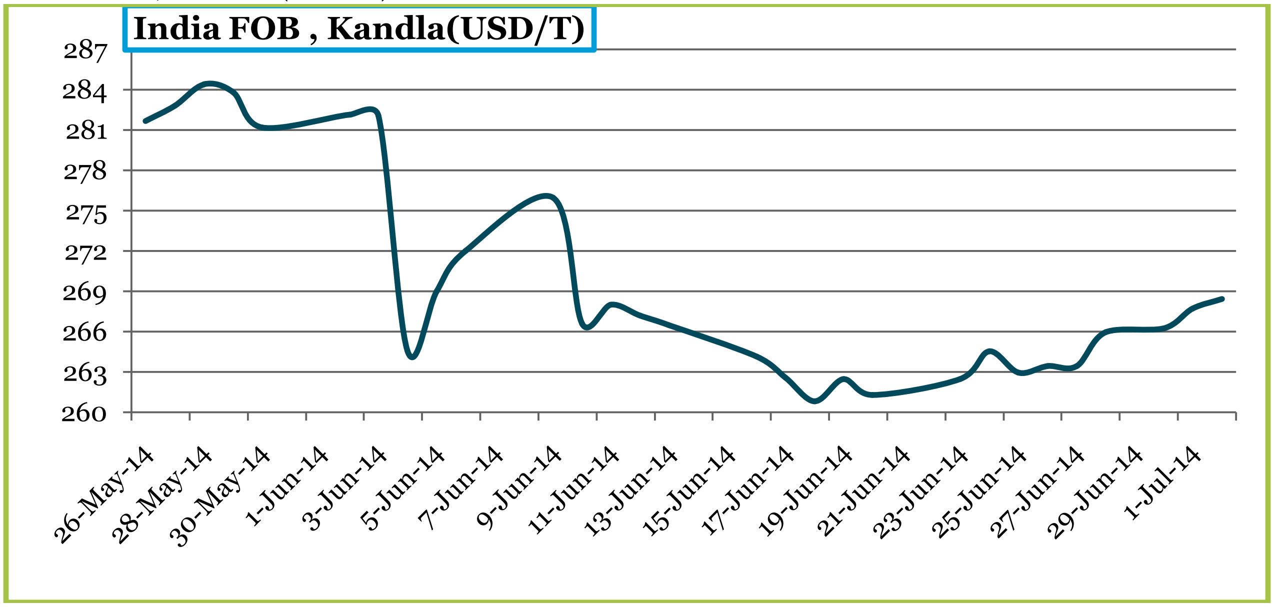
FOB Value as on 05.07.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15000	14350	14500	15000	14200	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)	16200	16000	16900	16950	16250	15700	19100
Indian FOB (USD/MT)	**270.95**	**267.60**	**282.66**	**283.49**	**271.78**	**262.59**	**319.45**
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)	289	286	301	301	290	281	337
INR	59.79	59.79	59.79	59.79	59.79	59.79	59.79
Russian Wheat FOB (USD/MT)	**292**	**292**	**292**	**292**	**292**	**292**	**292**
Parity on FOB Basis (USD/MT)	**21**	**24**	**9**	**9**	**20**	**29**	**-27**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	05 July, 2014	week ago 24 June, 2014	Month ago 03 June 14	Year ago 02 July 2013	Change over previous Year %
Indore	1558	1510	1503	1574	**-1.02**
Bareilly	1513	1515	1523	1583	**-4.42**
Delhi	1526	1511	1512	1570	**-2.80**
Khanna	NA	NA	NA	1701	**NA**
Kanpur	1500	1500	1508	1550	**-3.23**
Karnal	NA	NA	NA	1475	**NA**
Rajkot	1557	1524	1550	1625	**-4.18**
Kota	1555	1513	1523	1625	**-4.31**

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*	4.0	267.03	217.52
Jul-14			
Aug-14			
Sep-14			
Oct-14			
Nov-14			
Dec-14			
Jan-15			
Feb-15			
Mar-15			
Total 14-15	**15.97**	**276.40**	**232.93**

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			07.07.2014	28.06.2014	
Delhi	Lawrence Road	Mill Delivery	1510	1515	-5
	Nazafgarh	Mill Delivery Loose	1455	1470	-15
	Narella	Mill Delivery Loose	1455	1510	-55
Gujarat	Rajkot	Mill Delivery	1580	1560	20
	Ahmedabad	Mill Delivery	1650	1565	85
M.P.	Bhopal	Mill Quality Loose	1450	1460	-10
	Indore	Mill Delivery	1580	1540	40
Rajasthan	Kota	Mill Quality	1435	1430	5
U.P.	Mathura`	Mill Quality Loose	1440	1450	-10
Punjab	Khanna	Mill Quality Loose	1410	1410	Unch
Haryana	Sirsa	Mill Delivery loose	1415	1415	Unch

*Old crop

Commodity: Wheat **Exchange: NCDEX**
Contract: July **Expiry: 18th July, 2014**

Wheat (Weekly Chart)

Technical Commentary:

- Candle stick chart depicts range bound 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	1524	1550	1560
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	July	**Buy**	1522	1530	1534	1517.5

*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:

The wheat market was mostly higher in pre-long weekend book-squaring and consolidation. Weekly US export sales of 567,500 MT beats trade expectations of 300-450,000 MT thanks to Brazil taking 140,500 MT.

The FAO raised their outlook on the global wheat crop in 2014/15 by 4 MMT from last month to 707 MMT. That increase came "mostly on improved prospects in Brazil, the EU, India and Russia, morethan offsetting downward adjustments in Pakistan, Ukraine and the US. FAO has cut 2014/15 ending stocks however by 2 MMT to 180 MMT, although that's still 6 MMT up on 2013/14.

In Canada, overall conditions of seeded crops remain generally favourable, however concerns increased in the Prairie region due to stormy, wet, and unseasonably cool weather.

Kansas winter wheat harvesting is almost 40 percent over by the end of June. Continuous rains in states wheat growing belts have slowed down harvesting activities. It is running behind 26 percent from last year till June. As per local crop expert 84 percent winter wheat crop is ready to be harvested now. Continuous rains have increased weed problem and farmers are using pesticide to contain it. Overall 61 percent crop is in poor condition while 27 percent is in fair condition. One percent is in excellent condition. More rain in these areas can affect wheat natural quality and farmers may get lower price for their crop.

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 by1.4 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.

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	27.06.14	Week Ago 20.06.14	Month Ago (May)	3 Months Ago (Mar)	Year Ago (June)
USA (Gulf)	SRW 2	-6.59	247.35	238.91	264.25	304.52	264.80
France	FCW3	-4.34	249.10	249.64	251.62	283.24	260.40
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	253.60
Australia	CWRS	-22.73	273.00	276.00	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 695 million tones and IGC latest estimate of 710 million tones may keep market under pressure in medium term.

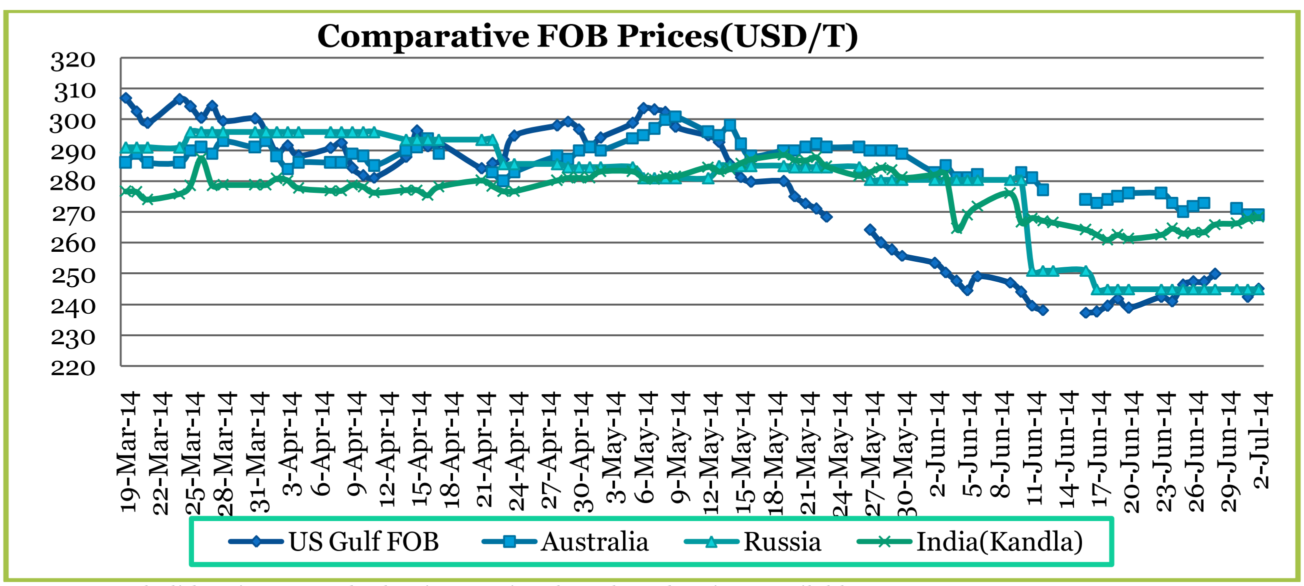
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 03.07.14 (USD/T)

CONTRACT MONTH	03 July 14	Week ago (24 June 2014)	1 Month ago(02 June 14)	3 Month ago(02 Apr 14)	6 Month ago(02 Jan 14)	1 Year ago(02 July 13)	% Change over previous year
14-Mar	206.39	209.79	228.06	248.00	223.47	257.46	-19.84
14-May	211.44	213.37	232.10	251.03	227.15	260.30	-18.77
14-Jul	219.80	221.36	240.37	255.53	232.29	263.06	-16.45
14-Sep	228.43	229.72	246.89	259.02	235.41	264.34	-13.59
14-Dec	234.03	234.86	250.20	260.67	235.87	263.61	-11.22
15-Mar	238.44	238.63	251.85	258.93	233.85	262.97	-9.33

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, a combination of mostly sunny skies and adequate moisture supplies continued to help wheat. In southeastern Australia, widespread showers (5-25 mm, locally more) benefited vegetative winter grains, maintaining good to excellent early-season yield prospects. In northern New South Wales and southern Queensland, widely scattered, generally light showers (less than 5 mm) maintained local moisture supplies for wheat crops. Temperatures in southern and eastern Australia averaged about 2 to 3°C above normal, while in Western Australia temperatures averaged 1 to 2°C below normal.

Argentina- Warm, mostly dry weather dominated much of the region. Little to no rain fell in the main production areas of central Argentina and scattered, mostly light showers (5-25 mm) were recorded in northwestern farming areas. In contrast, heavy rain (greater than 25 mm, locally in excess of 100 mm) returned to the northeast. Weekly temperatures averaged 1 to 3°C above normal throughout the region, with highest daytime temperatures ranging from the upper teens (degrees C) in La Pampa and Buenos Aires to the upper 20s in Chaco and Formosa. In the main summer row crop areas, nighttime lows fell below freezing as far north as Cordoba; sub-freezing temperatures were also recorded in outlying portions of the northwest (western sections of Jujuy and Salta) but most major agricultural areas remained above freezing. According to Argentina's Ministry of Agriculture, winter wheat was 49 percent planted versus 53 percent last year.

Russia and Ukraine- Widespread rain and below-normal temperatures boosted yield prospects for wheat across much of the region. Early-week showers coupled with a slow-moving storm system at week's end combined to produce 20 to 80 mm of rainfall (precipitation totals in Russia's Southern District are based on satellite estimates) across most of the region's major growing areas. The rain maintained favorable soil moisture for filling winter wheat, though the wet weather slowed or halted early wheat harvest efforts. In addition, temperatures up to 5°C below normal minimized the risk of heat stress, with daytime highs (22-29°C) nearly ideal for crop development.

International Weekly Outlook:

With the commencement of harvesting in the black sea region pressure on global wheat market continues. Wheat may hover in the range of $240 to $255 per tonne in the month of July. Russia, Ukraine, US would remain the main suppliers to the global market. Any unexpected spike is unlikely in the month of July.