

Domestic Market Updates:

Cash wheat markets takes note of the govt's latest decision of releasing 10 million tonne wheat for bulk buyers from August to March 2015 through e-tendering process. Wheat prices in major markets dip by Rs 10 to Rs 20 per qtl. Supply side is now bound to increase as quantity approved is 1.5 million tonne higher than last year for the same period of time.

Private and bulk buyers had brought 5.8 million tonne wheat in eight months, from August to March against allocation of 8.5 million tonne. This year higher quantity would continue to regulate price even in the lean season as old crop would be available around Rs 1500 per qtl, plus freight charges. New wheat would be given at 5 percent premium that means at Rs 1575 per qtl, lower than current prevailing prices.

This decision would not allow private traders to drag price up for their own interests. Availability would be enough throughout the season. As quantity is higher, private trade would not be able to offtake more than 6.5 million tonne. However, there is a possibility of higher offtake, if international market gets firmer on Russian/Ukrainian/US issue.

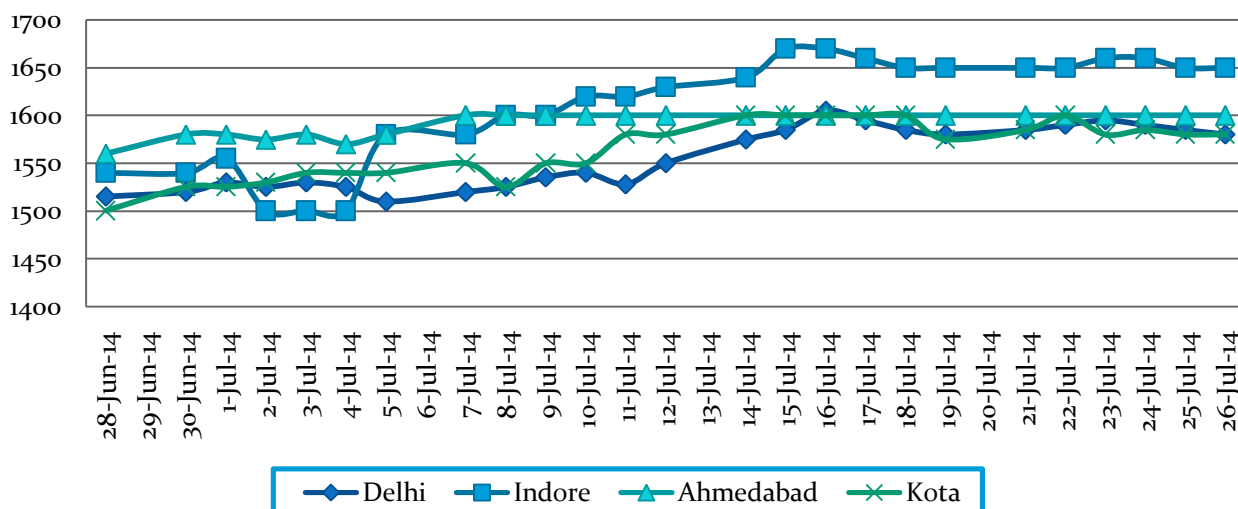
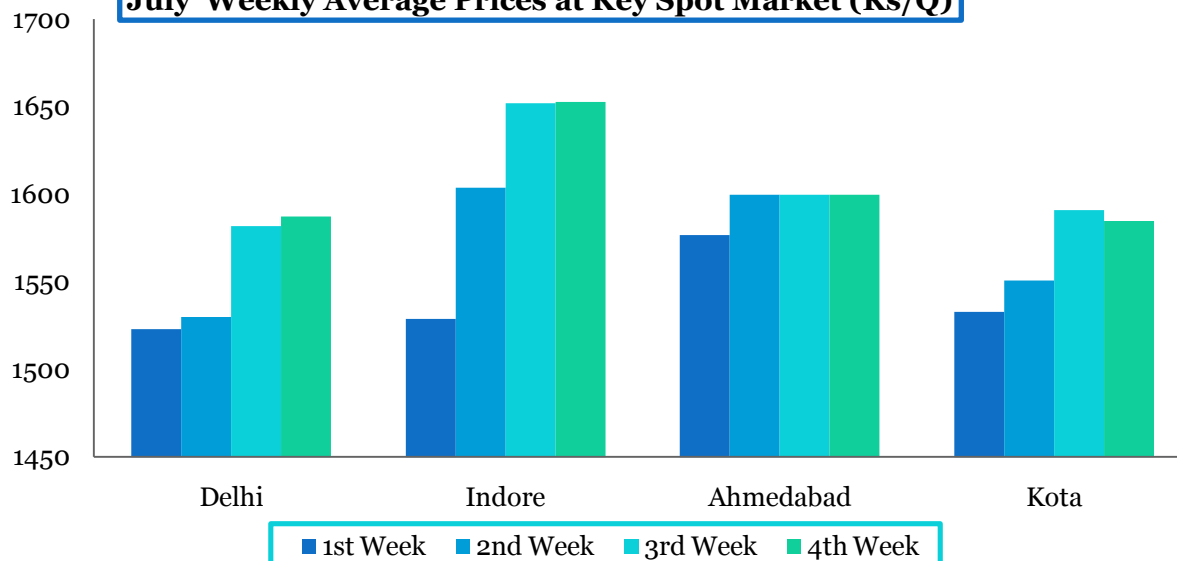
If wheat price in global market crosses over \$285 per Tonne, private trade may start taking new wheat through tender and think of exporting it. But such possibility is remote as prices in global market is ruling around \$230 to \$240 per tonne right now.

Wheat cash markets in Uttar Pradesh get firmer on the back of improved demand from Rajasthan and Delhi. Demand from roller flour mills have improved during last one week. Festive season in India starts from 1st August and continue till November and during this period demands for wheat product increase considerably.

Wheat stock in central pool warehouses was registered at 39.37 million T on 01 July compared to 41.58 million T on 1st June 2014. The highest accumulated stock is in Punjab (15.56 million T) followed by Madhya Pradesh (7.93 million tonne) and Haryana (7.55 million Tonne) as on 01.07.2014.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at most places along west coast and at many places over central and adjoining northwest India and over Gujarat.
- Rain/thundershowers would also occur at many places over western Himalayan region and east India.
- Subdued rainfall activity would occur over interior peninsular India.
- Rain/thundershowers would occur at a few places over rest of the country.

July Weekly Average Prices at Key Spot Market (Rs/Q)**July Weekly Average Prices at Key Spot Market (Rs/Q)**

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)

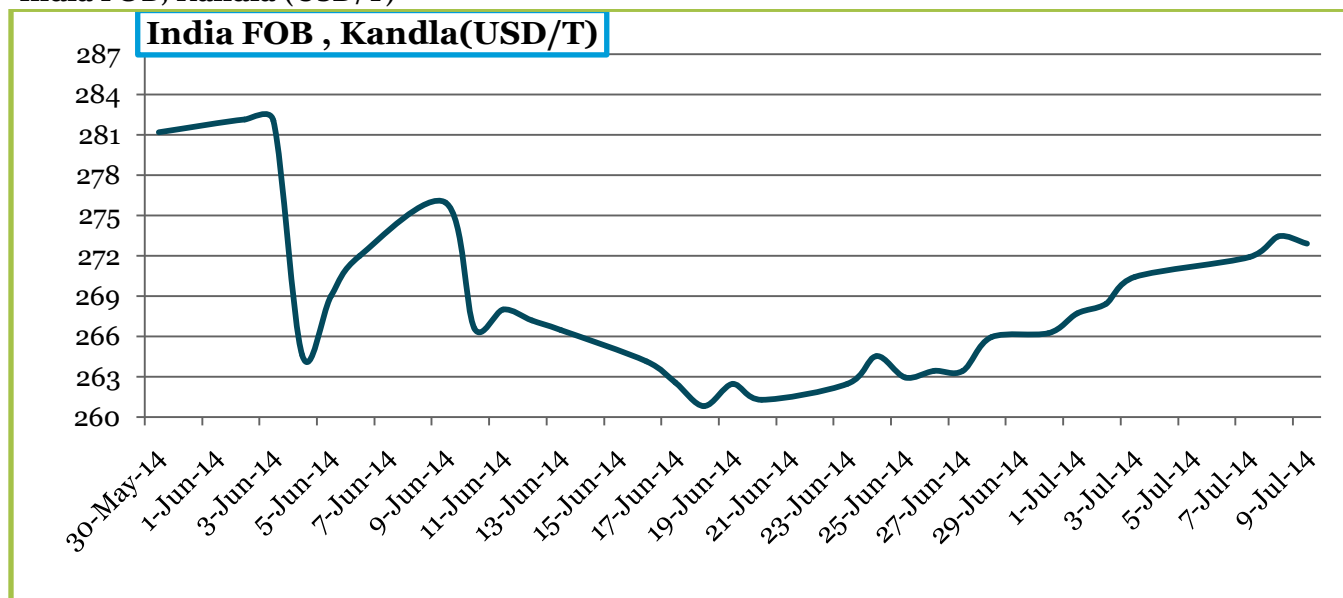
FOB Value as on 19.07.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cos
Basic cost of wheat (Rs/ton)	16000	15800	14500	16500	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)	17200	17450	16900	18450	16350	15700	19100
Indian FOB (USD/MT)	286.00	290.16	281.01	306.78	271.87	261.06	317.59
Insurance @ 0.1%	0.29	0.29	0.28	0.31	0.27	0.26	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	304	308	299	325	290	279	336
INR	60.14	60.14	60.14	60.14	60.14	60.14	60.14
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	6	2	11	-15	20	31	-26

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	25 July, 2014	week ago 18 July, 2014	Month ago 25 June 14	Year ago 19 July 2013	Change over previous Year %
Indore	1630	1633	1510	1575	3.49
Bareilly	1600	1625	1520	1600	0.00
Delhi	1586	1588	1510	1570	1.02
Khanna	NA	NA	NA	1679	NA
Kanpur	1565	1570	1488	1553	0.77
Karnal	NA	NA	NA	1490	NA
Rajkot	1610	1597	1532	1650	-2.42
Kota	1625	1638	1518	1613	0.74

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:

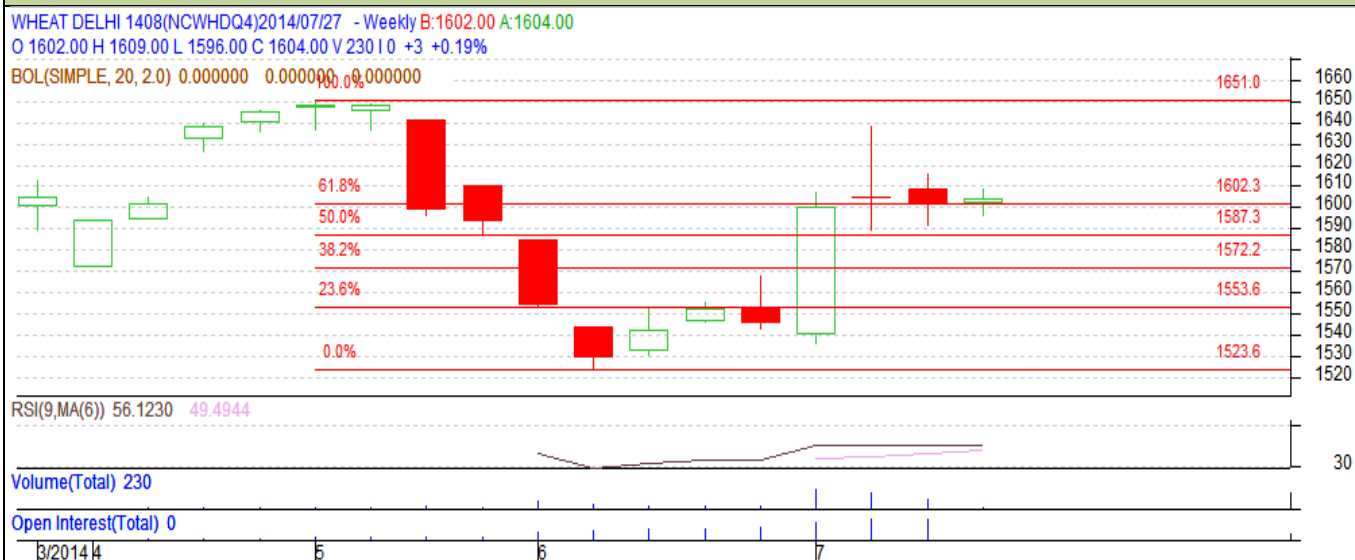
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26.07.2014	19.07.2014	
Delhi					
	Lawrence Road	Mill Delivery	1580	1580	Unch
	Nazafgarh	Mill Delivery Loose	1515	1530	-15
	Narella	Mill Delivery Loose	1510	1530	-20
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1710	1700	10
M.P.	Bhopal	Mill Quality Loose	1500	1500	Unch
	Indore	Mill Delivery	1650	1650	Unch
Rajasthan	Kota	Mill Quality	1580	1575	5
U.P.	Mathura`	Mill Quality Loose	1430	1470	-40
Punjab	Khanna	Mill Quality Loose	1425	1425	Unch
Haryana	Sirsa	Mill Delivery loose	1450	1445	5

*Old crop

Commodity: Wheat
Contract: Aug

Exchange: NCDEX
Expiry: 18th July, 2014

Wheat (Weekly Chart)



Technical Commentary:

- Candle stick chart depicts range bound movement in the market.
- Rise in price and rise in O.I. indicates long build up in the market.
- RSI is in neutral region.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	Aug	1575	1585	1604	1625	1640
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	Aug	Sell	1606	1598	1594	1610

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

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

International Market Updates:

Wheat harvesting in Kansas is heading towards final stage and would be over by the end of this month. According to national agriculture statistics service almost 95 percent wheat harvested from new crop is now in store. The quality is good and recent rains have not impacted quality of the grain. Harvesting reached near finishing line almost delayed by 15 days in comparison to last year.

As per latest update by USDA global wheat production is bound to increase from June estimate of 701.62 million tonnes to 705.17 million tonne in 2014-15. Production in US would increase from 1.942 to 1.992 billion bushel. Pressure on global wheat market would likely to continue as corn prices are ruling lower \$3.835 bushel. Global corn production too is estimated at higher side and it would reduce demand for feed grade wheat. Recent firmness is due to short covering and investor's interest at current level.

US wheat export may hamper with increasing freight cost in the months ahead. A rally in freight rates would be detrimental to the chances of U.S., Australian and Argentine wheat in Middle Eastern markets. Russian wheat would probably be the winner now U.S. soft red winter wheat, on a free-on-board basis, was currently \$6 a ton cheaper than Russian and Ukrainian wheat and \$5 a ton cheaper than Western Europe origins. Black Sea Region crop started hitting the market and Russian FOB quotes are hovering in the range of \$245 to \$250 per tonne.

Wheat harvesting is underway in major wheat growing belt of southern Nebraska in US. So far only 13 percent crop has been harvested. It is almost 50 percent lower than last year till date. Despite weather disturbances almost 50 percent crop has been rated good to excellent and 10 to 15 percent in bad shape. The rest is considered to be in fair shape.

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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, more than 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.

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

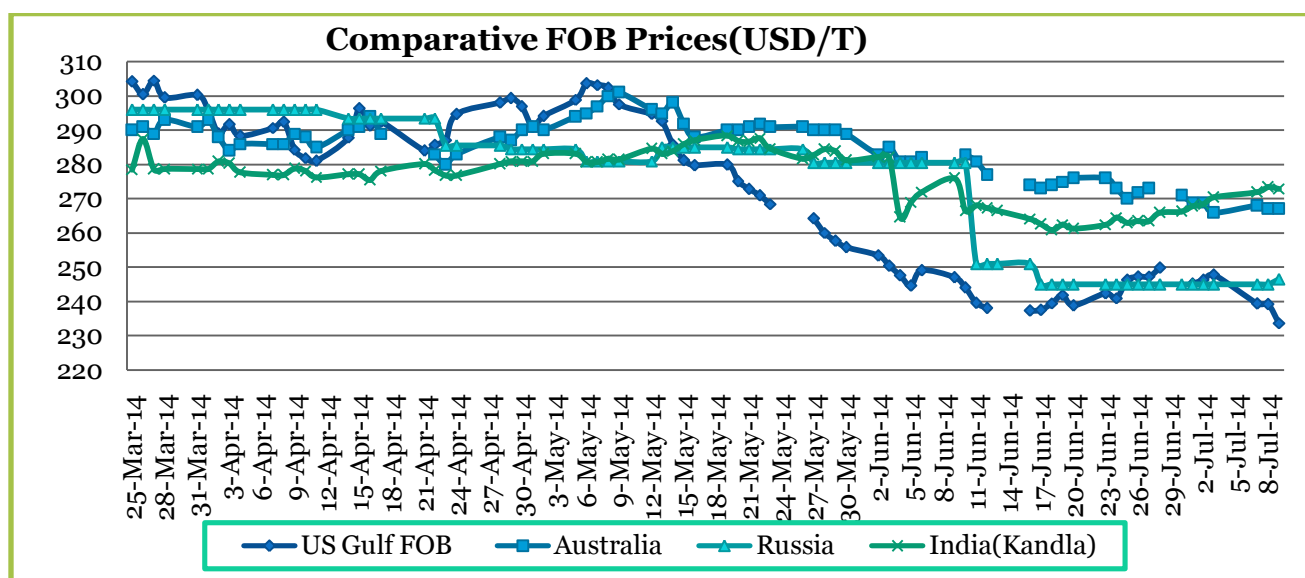
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	08.07.14	Week Ago 27.06.14	Month Ago (June)	3 Months Ago (Apr)	Year Ago (July)
USA (Gulf)	SRW 2	-13.49	239.30	247.35	244.60	281.90	276.60
France	FCW3	-1.42	245.37	249.10	250.20	283.03	248.90
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	256.90
Australia	CWRS	-26.49	267.00	273.00	281.00	288.00	363.20
Russia	SRW	-2.97	245.00	245.00	280.50	296.00	252.50
Ukraine	SRW	-5.19	246.50	246.50	282.50	297.50	260.00
Argentina	SRW	NA	NA	290.00	NA	365.00	273.00

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: 25.07.14 (USD/T)							
CONTRACT MONTH	25 July 14	Week ago (21 July 2014)	1 Month ago(25 June 14)	3 Month ago(25 Apr 14)	6 Month ago(27 Jan 14)	1 Year ago(25 July 13)	% Change over previous year
14-Sep	197.66	194.72	214.65	263.24	214.47	250.47	-21.09
14-Dec	205.65	203.63	222.64	268.39	219.15	254.52	-19.20
15-Mar	213.64	212.08	230.73	272.89	222.83	257.00	-16.87
15-May	219.06	217.68	235.69	274.54	223.20	257.27	-14.85
15-Jul	223.47	222.55	239.36	268.75	220.44	255.43	-12.51
15-Sep	227.97	226.96	243.49	269.95	222.74	255.43	-10.75

CBOT Sept 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, intermittent showers (5-25 mm) and sunshine maintained near ideal conditions for vegetative winter grains. Similarly, scattered showers (2-10 mm, locally more) in South Australia, Victoria, and southern New South Wales maintained adequate to locally abundant soil moisture for early-season wheat. Farther north, dry weather in northern New South Wales and southern Queensland led to net evaporative losses, but topsoil moisture remained generally adequate for wheat. Temperatures in these areas averaged near to slightly below normal (up to 1°C below normal). In contrast, temperatures in southeastern and Western Australia averaged near to slightly above normal (up to 1°C above normal).

Argentina- Rain lingered in parts of the northeast, maintaining slow rates of seasonal fieldwork. Rainfall totaled more than 25 mm from eastern Chaco and Entre Rios eastward through Uruguay and southern Brazil. Amounts totaling more than 10 mm reached as far west as Cordoba, though many other western production areas received little to no rain. However, rain was returning to La Pampa and Buenos Aires at week's end, promising to cause additional delays in fieldwork. Weekly average temperatures were near to slightly above normal, with some of the wetter sections of the northeast averaging more than 2°C above normal. Daytime highs ranged from the middle and upper teens (degrees C) in the main southern production areas to the upper 20s in the far north, though most areas recorded several considerably cooler days (highs from 10°C in the south to 20°C farther north). Freezes extended as far north as Santiago del Estero. According to Argentina's Ministry of Agriculture winter wheat was 62 percent planted, same as last year.

Russia and Ukraine- A return of drier, warmer weather promoted summer crop development and allowed fieldwork to resume. After last week's soaking rainfall, sunny skies and above-normal temperatures allowed producers in key southern and western winter wheat areas of Russia and Ukraine to resume harvesting. Dry weather prevailed in the Volga District, though cool conditions (up to 4°C below normal) were favorable for spring wheat development. Despite the generally dry weather pattern, a few scattered showers (2-20 mm) dotted eastern Ukraine and central portions of Russia's Southern District, providing additional — albeit localized — soil moisture for summer crops.

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 \$260 to \$280 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.

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