

Domestic Market Updates:

The CACP(Commission for Agricultural Costs and Prices) would announce the MSP for rabi crop soon and market expects marginal increase in the MSP of wheat for 2014-15. Market participants are of the view that MSP may be increase from 2 to 3 percent for rabi crops to contain the inflationary pressure. Experts assume that wheat MSP might be fixed in between Rs 1420 to RS 1450 per quintal for ensuing rabi season.

Cash wheat market may trade slightly up from current level as arrivals in major markets of producing states like Uttar Pradesh, Punjab, Haryana and Bihar have contracted in recent weeks due to farmers engagements in paddy trans-planting. Lower arrivals from farmers end and increasing demand for wheat products ahead of festival season would remain supportive for the cash wheat market fundamentals. Wheat is being traded in the range of Rs 1450 to Rs1575 per qtl. in various markets. Agriwatch expects market to move up at least by Rs 30 to RS 45 per qtl. from current level. Supply from private trades would continue.

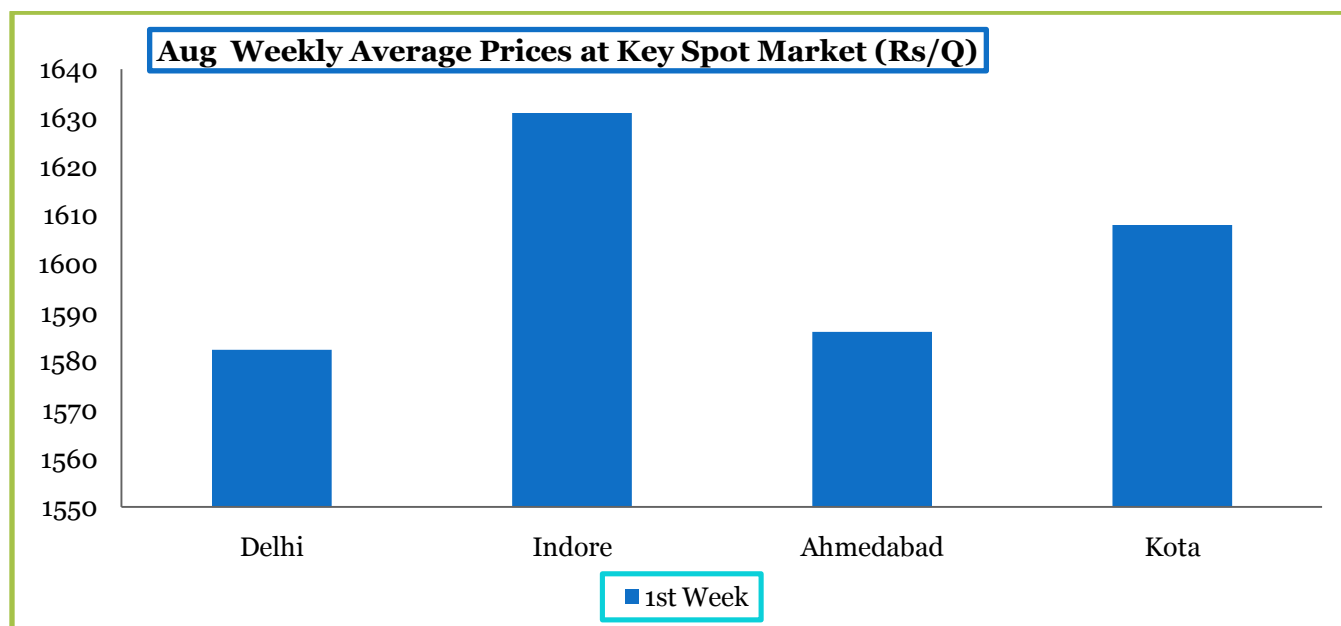
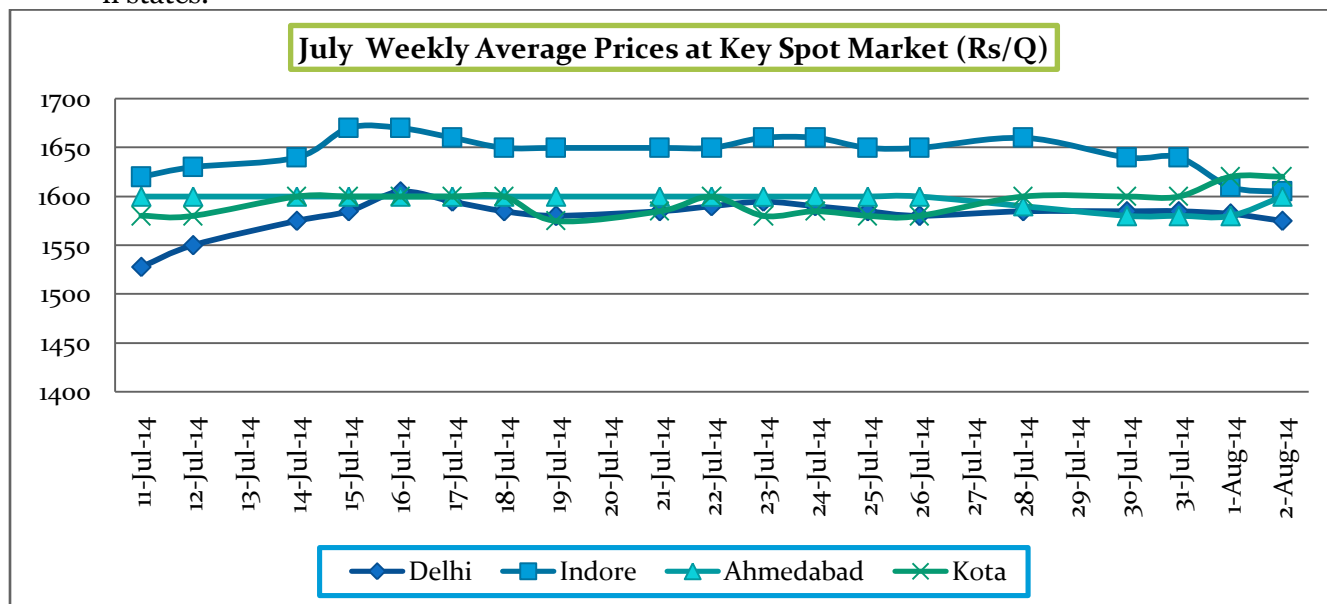
However, any major spike in wheat market in the third quarter is unlikely due to intended supply of 10 million tonne in next eight months from central pool stock at the base price of Rs 1500 and Rs 1575 per qtl. for old and new crop respectively. As wheat prices in Uttar Pradesh, Punjab, Haryana and Rajasthan are hovering around Rs 1450 to Rs 1575 per qtl. currently, offtake from central pool would be lower than expectation.

With higher allocation of wheat govt. has ensured ample availability for the rest of the year and any attempt to drag wheat price up would not be materialized. Export window is not wide open now with declining price world over and private trades would have to release their stock in domestic market. Global FOB quotes range \$230 to \$235 per tonne(US & Black Sea Region) while Indian exporters are not able to offer below \$280 per tonne. The huge difference of \$50 per tonne would not allow smooth export from India In next four –five months.

Rake loading from Kota to South India continues at Rs 1840/Rs 1850 per qtl. on delivered basis. Wheat from Bulandshahar to Delhi is loaded at Rs 1575 to Rs 1580 per qtl. Millers in Punjab and Haryana are sourcing wheat from local markets as higher freight from Mathura region to Chandigarh and other markets in Punjab brings parity at negligible level. August Onward arrivals in markets would increase once again as by then farmers would have been finished paddy trans-planting.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at most places along west coast.
- Rain/thundershowers would occur at a few places over central India.
- Subdued rainfall activity would occur over interior peninsular India.
- Rain/thundershowers would occur at many places over northwest & east India and northeastern states.



Key spot wheat mill delivery prices traded steady to slightly weak due to more 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)

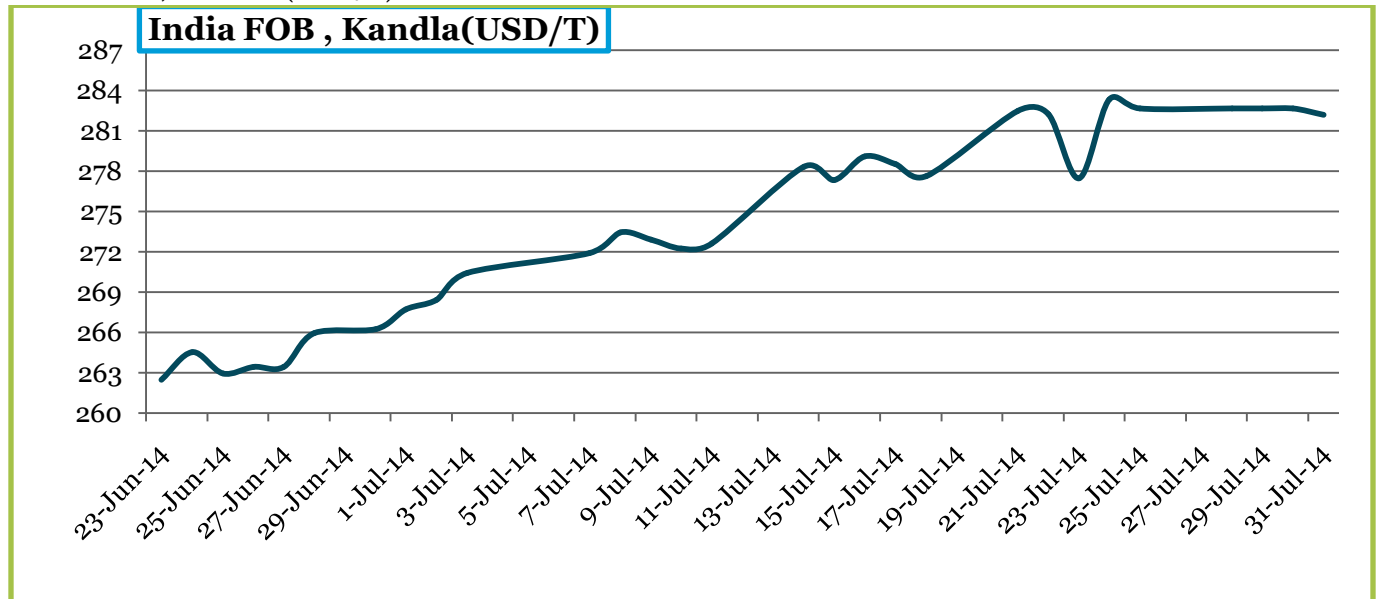
FOB Value as on 02.08.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15200	15150	15000	15500	14500	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	16800	17400	17450	16550	15700	19100
Indian FOB (USD/MT)	269.52	276.09	285.95	286.77	271.98	258.01	313.89
Insurance @ 0.1%	0.27	0.28	0.29	0.29	0.27	0.26	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	288	294	304	305	290	276	332
INR	60.85	60.85	60.85	60.85	60.85	60.85	60.85
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	22	16	6	5	20	34	-22

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	01 Aug, 2014	week ago 23 July, 2014	Month ago 25 June 14	Year ago 30 July 2013	Change over previous Year %
Indore	1595	1634	1510	1575	1.27
Bareilly	1575	1605	1520	1555	1.29
Delhi	1580	1598	1510	1565	0.96
Khanna	NA	NA	NA	1679	NA
Kanpur	1550	1560	1488	1530	1.31
Karnal	NA	NA	NA	1500	NA
Rajkot	1592	1610	1532	1607	-0.93
Kota	1618	1625	1518	1600	1.13

India FOB, Kandla (USD/T)

**Wheat Export Weekly Data:**

Weekly Export (21-27 July-14)	Quantity in MMt	FoB (\$/Tn)
Total	26774 MMt	
Vietnam	1940 MMt	290.77
Turkey	21000 MMt	324.96

*Provisional Data (As per IBIS)

Domestic Key Spot Market Price Comparison:

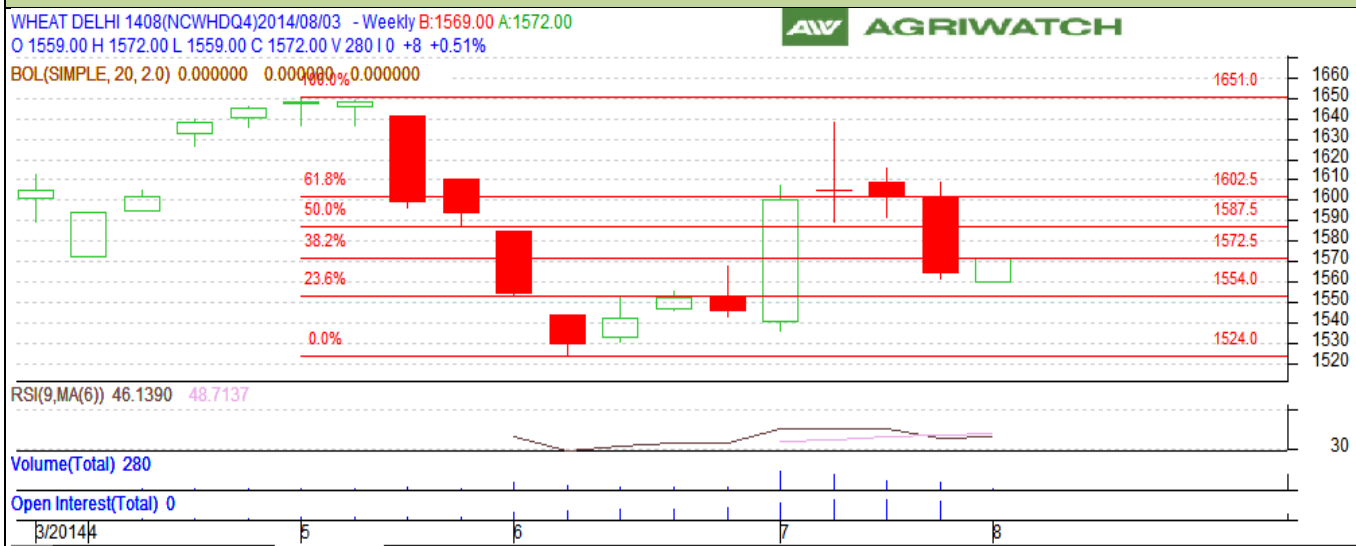
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02.04.2014	26.07.2014	
Delhi	Lawrence Road	Mill Delivery	1575	1580	-5
	Nazafgarh	Mill Delivery Loose	1515	1515	Unch
	Narella	Mill Delivery Loose	1490	1510	-20
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmedabad	Mill Delivery	1690	1710	-20
M.P.	Bhopal	Mill Quality Loose	1500	1500	Unch
	Indore	Mill Delivery	1605	1650	-45
Rajasthan	Kota	Mill Quality	1515	1500	15
U.P.	Mathura`	Mill Quality Loose	1450	1430	20
Punjab	Khanna	Mill Quality Loose	1450	1425	25
Haryana	Sirsa	Mill Delivery loose	1450	1450	Unch

*Old crop

Commodity: Wheat

Exchange: NCDEX

Contract: Aug

Expiry: 20th Aug, 2014**Wheat (Weekly Chart)****Technical Commentary:**

- Candle stick chart depicts downward 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	Aug	1530	1550	1572	1600	1615
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	Aug	Buy	1570	1578	1582	1565.5

*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:

Private importers in Pakistan have purchased about 55,000 tons of Black Sea-origin wheat probably from Russia or Ukraine around \$261 a tons c&f for September shipment. They have been making large imports of wheat as harvesting was not good this year.

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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IGC Wheat Balance Sheet

(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13 Est.	2013-14 Forecast	Projection for 2013-14	
						26.06.2014	31.07.2014
Production	679	653	695	655	710	699	702
Trade	128	126	145	141	153	144	145
Consumptions	652	657	698	676	691	697	699
Carryover stocks	199	194	192	171	190	194	193
Y-O-Y change	27	-4	-2	-21	19	2	3
Major Export	79	73	68	48	54	57	56

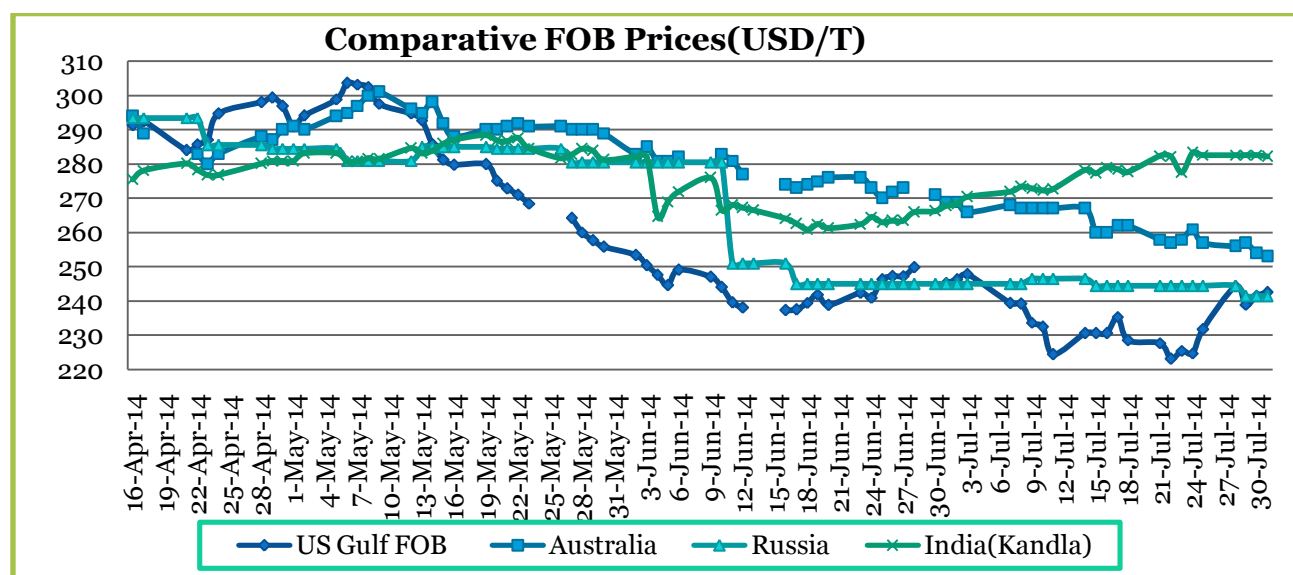
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	29.07.14	Week Ago 08.07.14	Month Ago (June)	3 Months Ago (Apr)	Year Ago (Aug)
USA (Gulf)	SRW 2	-13.60	238.98	239.30	244.60	281.90	276.60
France	FCW3	-1.64	244.81	245.37	250.20	283.03	248.90
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	256.90
Australia	CWRS	-29.24	257.00	267.00	281.00	288.00	363.20
Russia	SRW	-4.36	241.50	245.00	280.50	296.00	252.50
Ukraine	SRW	-6.54	243.00	246.50	282.50	297.50	260.00
Argentina	SRW	NA	NA	NA	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: 01.08.14 (USD/T)							
CONTRACT MONTH	1 August 14	Week ago (25 July 2014)	1 Month ago(1 July 14)	3 Month ago(1 May 14)	6 Month ago(1 March 14)	1 Year ago(1 August 13)	% Change over previous year
14-Sep	196.28	197.66	205.65	256.72	230.27	241.75	-18.81
14-Dec	203.26	205.65	210.34	259.84	232.01	246.34	-17.49
15-Mar	210.89	213.64	218.60	263.06	233.57	250.20	-15.71
15-May	215.66	219.06	226.96	268.11	236.33	252.40	-14.56
15-Jul	218.88	223.47	232.10	272.52	240.74	250.84	-12.74
15-Sep	223.20	227.97	236.42	274.54	243.31	253.14	-11.83

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 and South Australia, widespread showers (5-25 mm) and seasonably mild weather maintained good to excellent yield prospects for winter grains. More widely scattered showers (5-25 mm) fell across Victoria and central New South Wales, aiding local wheat development. Following last week's beneficial rains, drier weather returned to extreme northern New South Wales and southern Queensland. Widely scattered, generally light showers (less than 5 mm) provided little additional moisture for vegetative winter crops. Continued rainfall will be needed in upcoming weeks to maintain yield prospects in these areas. Temperatures in eastern Australia averaged about 1 to 2°C above normal.

Argentina- Showers returned to eastern farming areas at midweek, renewing fieldwork delays after a brief respite from the wetness. Rainfall totaled 10 to 50 mm in eastern Buenos Aires, Entre Rios, and central sections of Santa Fe, and 25 to 100 mm — locally higher — in eastern areas of Chaco and Formosa. Mostly dry weather was recorded elsewhere, including sections of La Pampa and western Buenos Aires that recorded heavy rain last week. Weekly temperatures averaged near to below normal, as early-week warmth gave way to cooler conditions following the passage of the rain-producing cold front. At the beginning of the week, daytime highs ranged from the upper 10s (degrees C) in Buenos Aires to the upper 20s in Formosa. At week's end, however, highs failed to reach 20°C in the north and stayed below 10°C in southern production areas (La Pampa and Buenos Aires); in addition, temperatures fell below freezing in most agricultural areas extending from La Pampa and Buenos Aires to Salta, with nighttime lows approaching 0°C in the traditionally warmer northeast. According to Argentina's Ministry of Agriculture, winter wheat was 81 percent planted, slightly behind last year (85 percent).

Russia and Ukraine- Mostly dry, hot weather persisted in Russia, while showers and thunderstorms further boosted summer crop prospects elsewhere. High pressure remained centered over western Kazakhstan, maintaining sunny skies in Russia and a warm southerly flow across the western two-thirds of the region. Temperatures averaged 2 to 5°C above normal in most growing areas, with daytime highs in the lower to middle 30s (degrees C) causing some stress to reproductive summer crops in southern portions of Ukraine and Russia. In Russia, the heat was accompanied by sunny skies, which accelerated winter wheat harvesting. However, the Rostov Oblast in the west-central Southern District has reported little — if any — precipitation since June 21, causing deteriorating yield prospects for summer crops. In contrast, the heat and humidity over Moldova, Ukraine, and Belarus was accompanied by widespread showers and thunderstorms (10-50 mm, locally more. Farther east, dry albeit cooler weather (1-3°C below normal) prevailed in the southeastern Volga District, promoting spring wheat maturation.

International Weekly Outlook:

With the commencement of harvesting in the black sea region pressure on global wheat market continues. Russia, Ukraine, US would remain the main suppliers to the global market. Any unexpected spike is unlikely in the coming week of August.

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