

Domestic Market Updates:

Wheat prices slightly moved up in major cash market due to seasonal factors and restricted arrivals from private ends during the week under review. Wheat FAQ in Delhi market moved up from Rs1580 to Rs 1615 per qtl. Wheat in Delhi is coming from Uttar Pradesh, mainly from Bulandshahar region and is being delivered at Rs 1600 per qtl. Loose price in Narela mandi is hovering in the range of Rs 1540 and an increase of Rs 25 per quintal has been recorded in this market too. Arrival has decreased considerably and private millers have turned to FCI stock to fulfill their additional requirement.

Wheat prices in Madhya Pradesh have been steady at Rs 1600 per qtl. While in Rajasthan it moved up from Rs 1550 to Rs 1580 per qtl. Wheat loading from Rajasthan to Bangalore has been reported at Rs 1840 per qtl on delivered basis. There is no rake loading for south India reported from M.P. this week. Fresh buying is expected from next week as Dashhara is round the corner and demand for wheat products is expected to increase. Major festival Dipawali too is in October so wheat demand would increase in the weeks ahead.

As supply from private end is shrinking fast, dependence on central pool stock would increase. However, any spike in price at current level is unlikely as higher allocation of wheat from central pool would remain restrictive to the wheat price. Wheat may trade range bound to slight up in the weeks ahead.

According to IBIS (provisional data), export of wheat in the month of August was 0.43 Lakh tones which is around 69% less than last year at the same month, which was 1.37 Lakh tones in July 2013. The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine.

As projected earlier by Agriwatch the CACP (Commission for Agricultural Costs and Prices) has recommended increasing the minimum support price of wheat by a nominal Rs 50 to Rs 1,450 a quintal this year. The rabi crops of this year will be marketed in 2015-16 starting April.

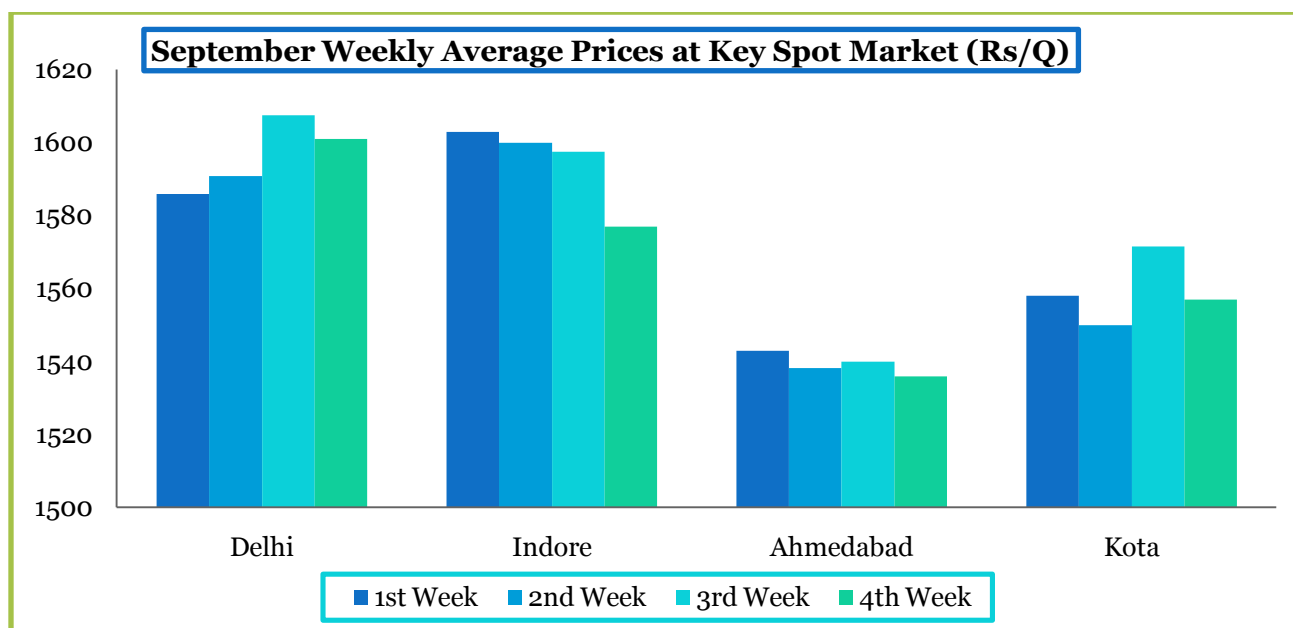
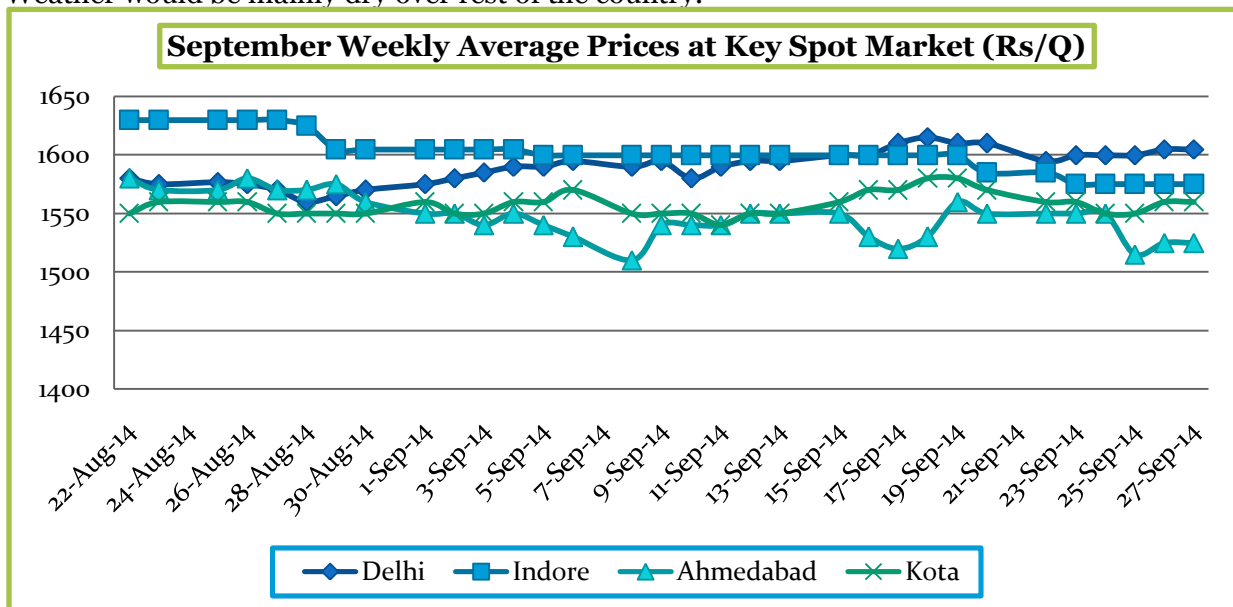
Despite disparity on export front and bearish outlook in global wheat market Indian exporters managed to offload some quantity of wheat in markets like Vietnam, Djibouti, U.A.E., Philippines etc around \$284/tonnes on FoB basis through Kandla, Mundra etc ports. As per ibis data wheat export from India was registered 14,953 tonnes during 11th to 17th August. However, global wheat market seems to be in surplus state and opportunity for Indian exporters remains still unfavorable.

Wheat off take from central pool stock would remain restricted in the month of August despite tender is being invited in various states like Rajasthan, M.P. Haryana and Punjab at pre determined reserve price.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at many places along west coast and over South Interior Karnataka and at a few places over Tamilnadu and Odisha.
- Rain/thundershowers would occur at isolated places over east & northeastern states and rest p eninsular India.

- Weather would be mainly dry over rest of the country.



Key spot wheat mill delivery prices traded steady to weak due to current weak demand from domestic millers.

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.08.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.73	0.00	8.73
NORTH EAST ZONE	0.75	0.00	0.75
NORTH ZONE	121.46	149.37	270.83
SOUTH ZONE	8.51	0.00	8.51
WEST ZONE	15.34	73.24	88.58

TOTAL	154.79	222.61	377.40
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(Figures in Lakh Tonnes)

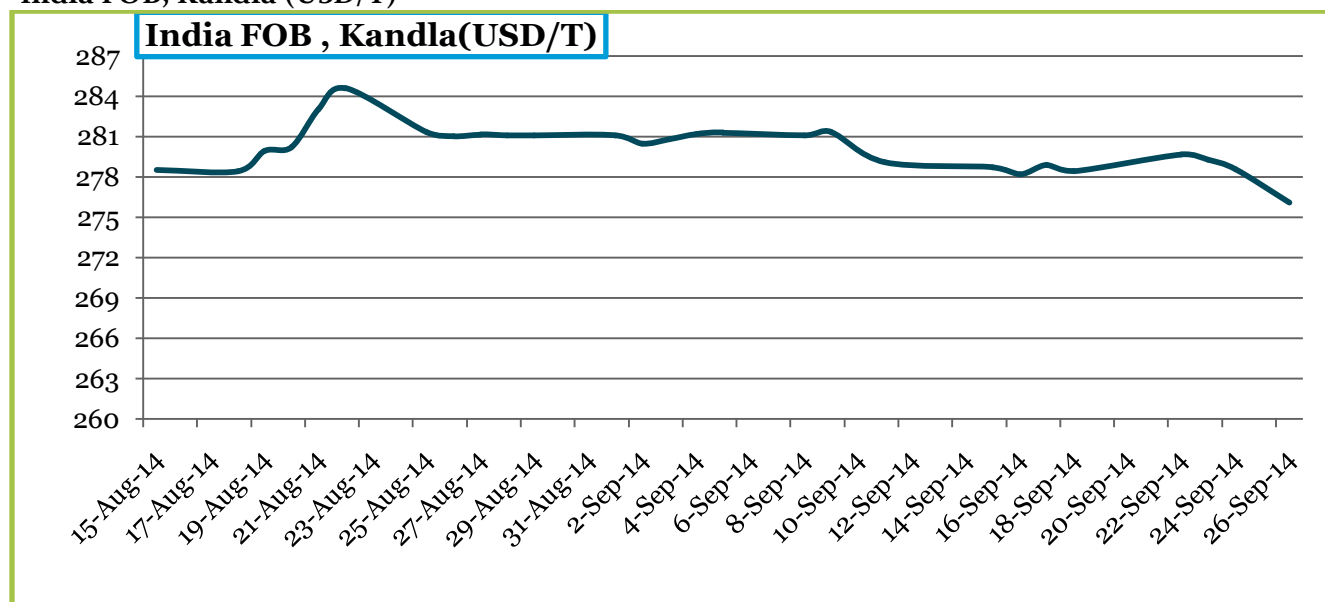
FOB Value as on 13.09.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14250	14800	14500	15500	14600	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)	15450	16450	16900	17450	16650	15700	19100
Indian FOB (USD/MT)	250.93	267.18	274.48	283.42	270.42	254.99	310.22
Insurance @ 0.1%	0.25	0.27	0.27	0.28	0.27	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	269	285	292	301	288	273	328
INR	61.57	61.57	61.57	61.57	61.57	61.57	61.57
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	41	25	18	9	22	37	-18

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	26 Sept, 2014	week ago 22 Sept, 2014	Month ago 28 Aug 14	Year ago 30 July 2013	Change over previous Year %
Indore	1575	1575	1603	1575	0.00
Bareilly	1610	1600	1580	1600	0.63
Delhi	1607	1600	1568	1597	0.63
Khanna	NA	NA	NA	1644	NA
Kanpur	1565	1560	1540	1530	2.29
Karnal	NA	NA	NA	1585	NA
Rajkot	1551	1543	1578	1622	-4.38
Kota	1595	1590	1583	1618	-1.42

India FOB, Kandla (USD/T)

**Wheat Export Weekly Data:**

Weekly Export (11-17 Aug-14)	Quantity in MMt	FoB (\$/Tn)
Total	14953 MMT	
Vietnam	2237 MMT	288.22
Djibouti	10500 MMT	274.77

*Provisional Data (As per IBIS)

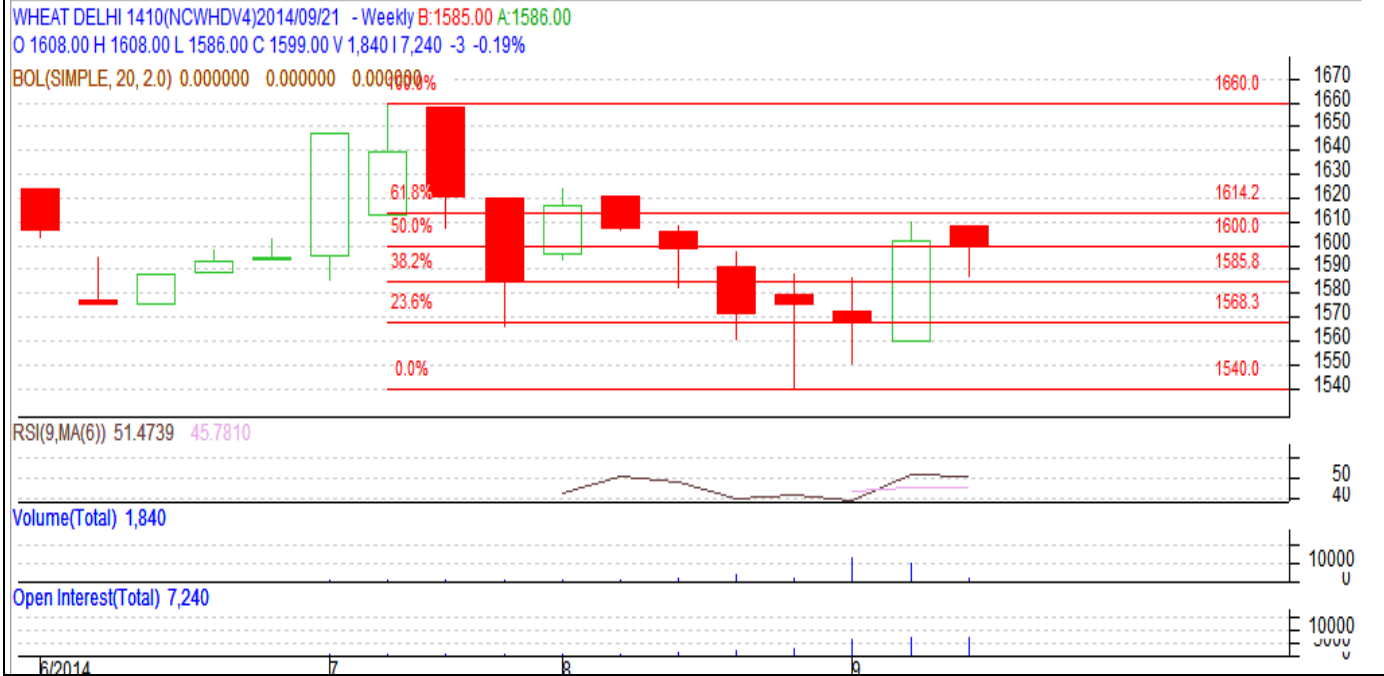
Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27.09.2014	20.09.2014	
Delhi	Lawrence Road	Mill Delivery	1605	1610	-5
	Nazafgarh	Mill Delivery Loose	1540	1540	Unch
	Narella	Mill Delivery Loose	1535	1540	-5
	Rajkot	Mill Delivery	1525	1550	-25
Gujarat	Ahmedabad	Mill Delivery	1670	1680	-10
	Bhopal	Mill Quality Loose	1425	1440	-15
M.P.	Indore	Mill Delivery	1575	1585	-10
Rajasthan	Kota	Mill Quality	1560	1585	-25
U.P.	Mathura`	Mill Quality Loose	1470	1465	5
Punjab	Khanna	Mill Quality Loose	1430	1430	Unch
Haryana	Sirsa	Mill Delivery loose	1470	1465	5

Commodity: Wheat

Exchange: NCDEX

Contract: Oct

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

- Candle stick chart depicts range bound movement in the market.
- Fall in price and fall in O.I. indicates consolidation.
- RSI is in neutral zone.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	Oct	1535	1550	1599	1640	1660
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	Oct	Sell	1605	1595	1590	1611

*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:

USDA has said in its latest release that global wheat production will touch at 719.95 million tonne. It is .05 percent higher than August estimate. The reason of higher production estimate is mainly attributed to higher production in Ukraine and EU. Overall wheat stock will increase by 5.3 percent from last year.

As per Reuter's, Russia's agriculture agency has raised Russia's 2014 grain crop forecast to 104-106 million tonnes from previously expected 98 million tonnes. The country's wheat crop forecast was upgraded to 60 million tonnes from 58 million tonnes expected earlier.

South Korean mill CJ Cheiljedang Corp bought 21,200 tonnes wheat (max. 10.5 protein) at Fob around \$260-263/ tonne and 4,900 tonnes wheat (max. 8.5 protein) at Fob \$300/ tonne from U.S. which is scheduled for shipment between Jan. 1 and 31, 2015.

Egypt had bought 60,000 tonnes of French wheat from Granit and 60,000 tonnes of Romanian wheat from Bunge at an average price of \$258.89/tonne (CiF). Earlier Egypt had stopped buying from France as they don't allow import of wheat with moisture content was more than 13 percent whereas in 2013 the average moisture content of France wheat was 13.5. In June, Egypt raised its tolerance again for moisture content to 13.5 percent, albeit with heavier penalties, but had not made a French wheat purchase due to lower price offered by Russian, Romanian and Ukrainian.

The International Grains Council raised its forecast for global wheat production in 2014/15 to 713 million tonnes, up from a previous forecast of 702 million. Better production in Russia, the European Union and China is the main reason for increase in production estimate.

Egypt, the top wheat importer (around 10 million tonne annually) is trying to reduce import dependency and for this goal local agriculture ministry has planned to encourage farmers to grow more wheat in the years to come. The target has been fixed to achieve 75 percent of self sufficiency by 2017. Area under wheat is bound to increase. However, import would continue as per requirement.

Pakistan's flour millers bought around 100,000 tons of wheat from the Black Sea region this week, while importers in Bangladesh booked 50,000 tons. Importers in Pakistan paid \$269.50 a ton, including cost and freight, for two cargoes of wheat with 11.5% protein. One cargo is scheduled to be shipped in October and the other is for arrival between October 15 and November 15. Buyers in Bangladesh paid \$255 a ton for 50,000 tons of wheat with 10.5% protein. It is due for shipment in the second half of September.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13.	2013-14 Est	Forecast for 2014-15	
						29.08.2014	25.09.2014
Production	679	653	695	655	713	713	717
Trade	128	126	145	141	156	146	147
Consumptions	652	657	698	676	695	706	709
Carryover stocks	199	194	192	170	188	195	195
Y-O-Y change	27	-4	-2	-22	17	7	8
Major Export	79	73	68	48	53	59	60

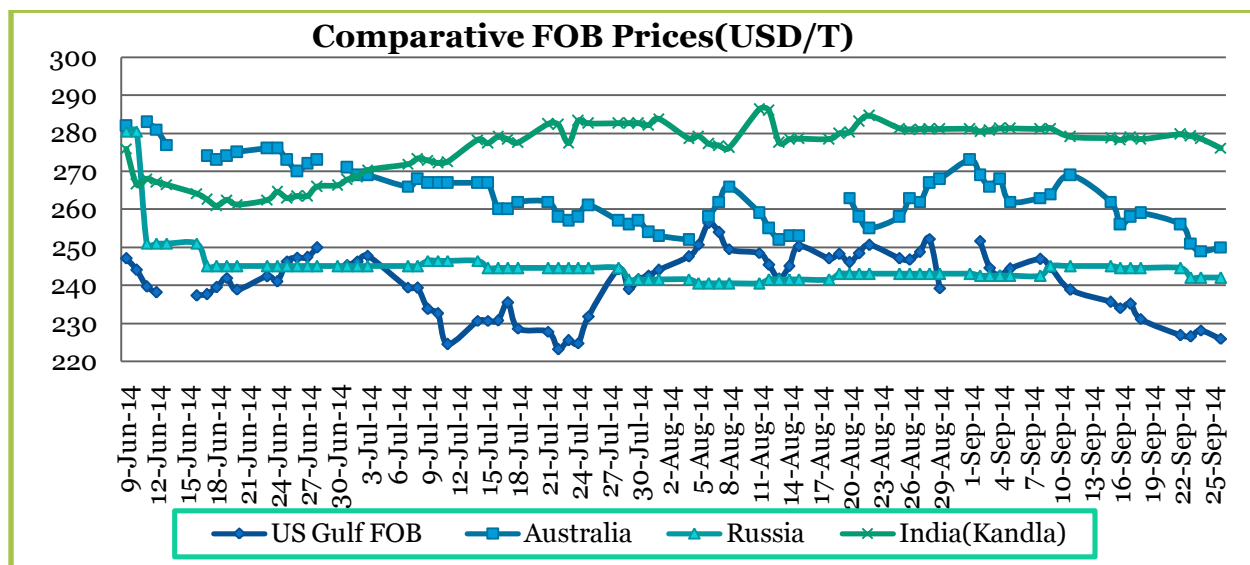
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	24.09.14	Week Ago 17.09.14	Month Ago (Aug)	3 Months Ago (June)	Year Ago (Sept)
USA (Gulf)	SRW 2	-10.73	228.12	235.10	247.10	246.33	277.20
France	FCW3	-9.58	211.97	214.45	228.71	247.85	253.30
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	NA
Australia	CWRS	-10.07	250.00	259.00	263.00	270.00	294.00
Russia	SRW	-0.21	242.00	244.50	243.00	245.00	247.00
Ukraine	SRW	-0.41	243.50	246.00	244.50	246.50	248.50
Argentina	SRW	NA	233.00	255.00	NA	NA	NA

Global wheat market is expected to trade weak on higher wheat production estimate of 719 million tones and IGC latest estimate of 717 million tones may keep market under pressure in medium term.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 26.09.14 (USD/T)							
CONTRACT MONTH	26 Sept 14	Week ago (22 Sep 2014)	1 Month ago (28 Aug 14)	3 Month ago (27 June 14)	6 Month ago (27 Mar 14)	1 Year ago (27 Sept 13)	% Change over previous year
14-Dec	174.24	175.16	210.06	225.12	269.03	256.08	-31.96
15-Mar	179.11	179.84	217.23	232.29	271.42	258.93	-30.83
15-May	182.60	183.33	220.72	236.79	270.68	259.75	-29.70
15-Jul	185.08	186.82	222.37	240.28	265.26	259.48	-28.67
15-Sep	189.21	191.87	225.40	244.32	266.18	261.04	-27.52
15-Dec	194.81	197.75	230.36	248.27	268.84	263.98	-26.20

CBOT Dec- 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: Mostly dry weather prevailed across the wheat belt, reducing moisture supplies for immature winter grains. Although rain would have been welcomed in Western Australia, sunny skies and adequate moisture supplies spurred wheat helping maintain generally good crop prospects. In southeastern Australia, the continuing dryness has been more persistent and untimely, causing a slow but steady decline in yield prospects as winter crops advance through reproduction. Additionally, minimum temperatures dropped below freezing this week in isolated parts of southern Victoria and southern New South Wales, likely causing local crop damage. In northern New South Wales and southern Queensland, the dry weather favored maturation of the earliest sown winter crops. More rain is needed in this region, however, to replenish soil moisture and irrigation supplies as sorghum and cotton planting gradually gains momentum. Temperatures in southern and eastern Australia averaged near normal and 1 to 3°C above normal in Western Australia.

Argentina- Warm, mostly dry weather brought additional relief from wetness to southern farming areas, but showers intensified in the northeast. Rainfall totaled 10 to 50 mm — locally approaching 100 mm — from northern Buenos Aires northward through Corrientes, with amounts increasing from west to east. Moderate rain (greater than 10 mm) also fell in southern Cordoba. In contrast, little to no rain fell in La Pampa and southern agricultural areas in Buenos Aires, allowing the final stages of wheat planting to take place. Weekly temperatures averaged 2 to 3°C above normal in central Argentina, with daytime highs reaching the lower and middle 20s (degrees C). Farther north, weekly average temperatures were 1 to 2°C above normal, with highs reaching the lower 30s.

Russia and Ukraine: Warm, dry weather maintained a rapid pace of fieldwork across most of the region, though much needed rainfall continued in southern Russia. Across Moldova, Ukraine, Belarus, and western Russia, sunny skies and near-normal temperatures promoted summer crop harvesting and winter wheat planting. In contrast, showers and thunderstorms (5-50 mm, locally more) improved soil moisture for winter wheat establishment in southern Russia following an unfavorably dry, hot end to the summer.

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 spike is unlikely in the coming week of October.

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