

Domestic Market Updates:

Wheat market fundamental points to move range bound in weeks ahead as supply side remain ample from central pool stock as well as private stock. Millers demand for festive season is almost over and only normal buying is expected in the month of November. Price remains unsupported due to sluggish export demand.

Wheat sowing in Northern India is likely to delay by 15-20 days from normal schedule due to late harvesting of paddy crop in Punjab and Haryana. Wheat sowing in Punjab and Haryana normally starts in the mid of October but this year it will start by the end of October.

According to IBIS, export of wheat in the second week of October was around 1 Thousand Mt. The major export destination of Indian wheat was UAE from Mundra port which accounted .50 thousand MT at an average FOB price of \$312.07/Tn .Other countries were U.A.E, Bangladesh and Philippines.

FCI has invited bids fir 1Lakh Tn wheat selling through tender in Haryana region at reserve price of Rs 1500/quintal just to augment supply in the open market especially for the flour millers in the month of October. It will restrict open market from firming up in the near term. More tender for wheat selling is likely in the third quarter as government has to sell almost 10MMt wheat in the rest of the current marketing year.

Wheat stock in central pool warehouses was registered at 32.26 million T on 01 October compared to 35.17 million T on 1st September 2014. The highest accumulated stock is in Punjab (12.36 million T) followed by Madhya Pradesh (6.62 million tonne) and Haryana (5.89 million Tonne) as on 01.10.2014.

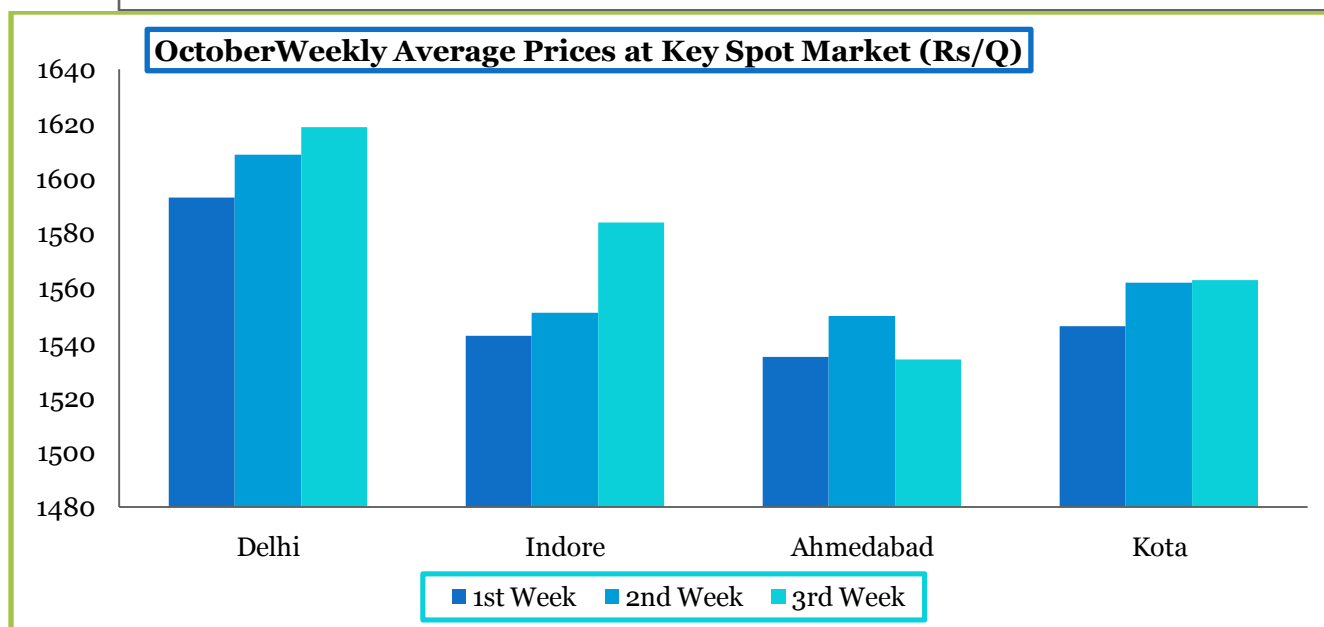
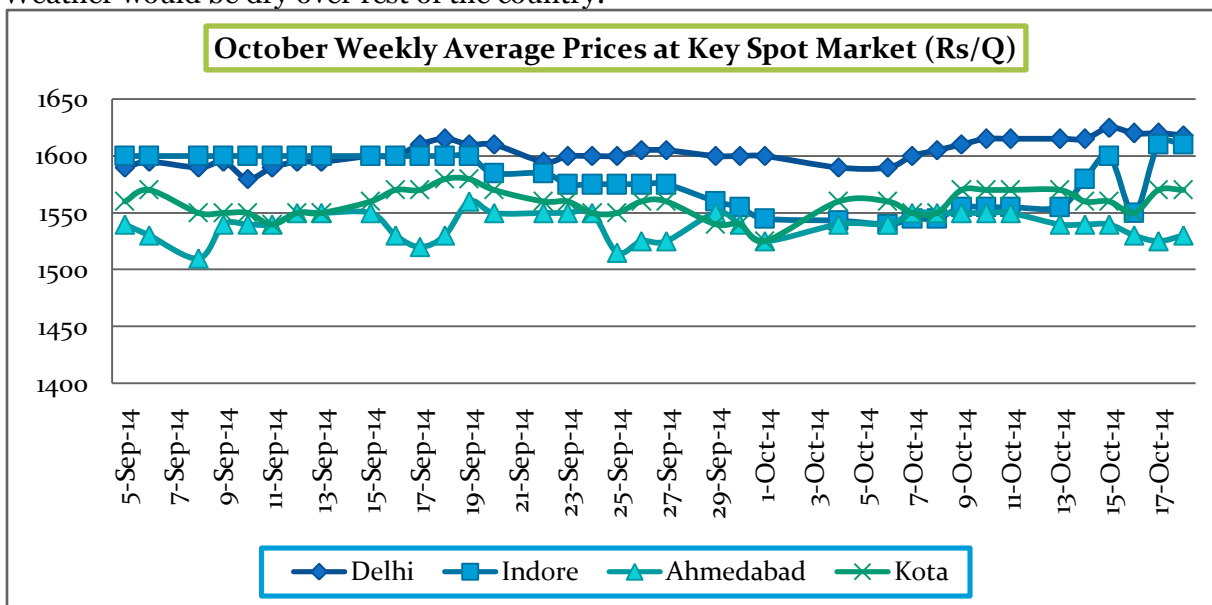
Export opportunity of Indian wheat to other countries is lower due FOB imparity. India Fob at Kandla port is around \$273-278/Tn as compare to Australia (\$264-267), U.S. (\$250-255) and Russia (\$230-235). In coming days domestic prices is going to increase due to increase demand by festive season therefore export is going to be on more lower side.

According to IBIS (provisional data), export of wheat in the month of September was 0.52 Lakh tonnes which is around 70% less than last year at the same month, which was 1.79 Lakh tones in September 2013. The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine.

Weather Watch: (Source-IMD)

- Rain/thundershower would occur at many places over south Peninsular India.
- Rain/thundershower would occur at a few places over Andaman & Nicobar Islands and at isolated places over northeastern States.
- A fresh western disturbance would affect western Himalayan region from 24th onwards.

- Weather would be dry over rest of the country.



STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.10.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	7.40	0.00	7.40
NORTH EAST ZONE	0.30	0.00	0.30
NORTH ZONE	110.62	116.08	226.70
SOUTH ZONE	6.79	0.00	6.79
WEST ZONE	14.05	72.43	78.35
TOTAL	139.16	18.38	319.54

(Figures in Lakh Tonnes)

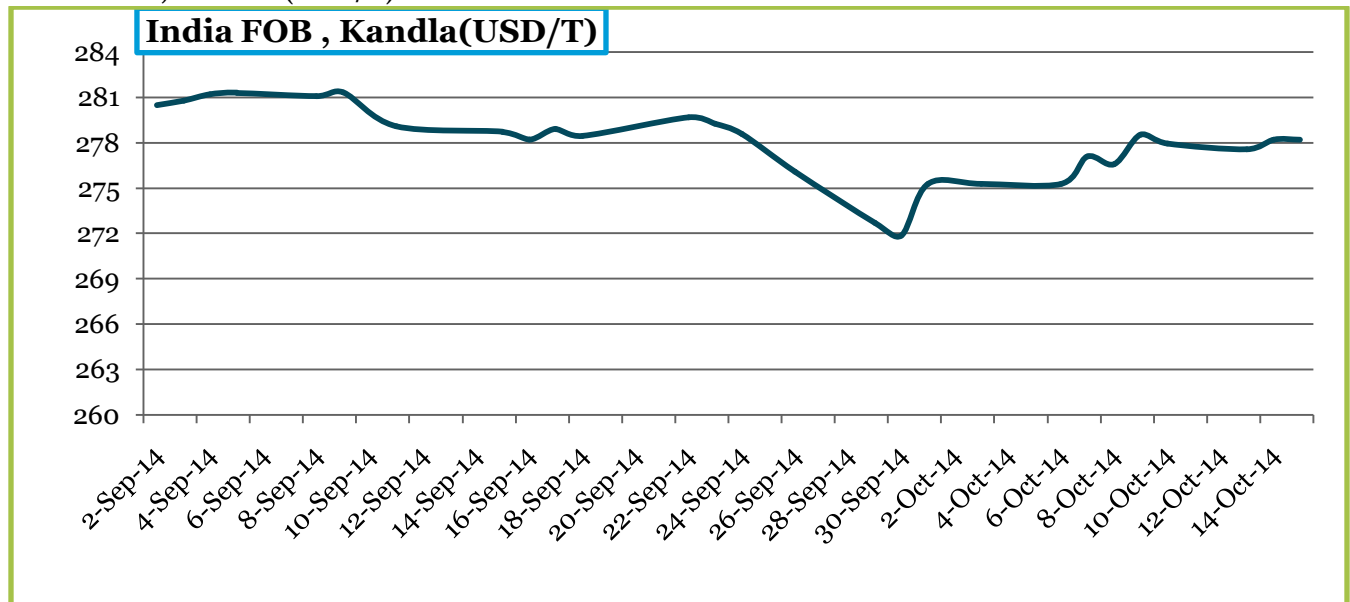
FOB Value as on 18.10.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14300	14700	15000	15500	14900	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)	15500	16350	17400	17450	16950	15700	19100
Indian FOB (USD/MT)	251.58	265.38	282.42	283.23	275.12	254.83	310.01
Insurance @ 0.1%	0.25	0.27	0.28	0.28	0.28	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	270	283	300	301	293	273	328
INR	61.61	61.61	61.61	61.61	61.61	61.61	61.61
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	40	27	10	9	17	37	-18

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	17 Oct, 2014	week ago 09 Oct, 2014	Month ago 15 Sept 14	Year ago 15 Oct 2013	Change over previous Year %
Indore	1575	1555	1593	1665	-5.41
Bareilly	1520	1555	1600	1610	-5.59
Delhi	1620	1613	1595	1620	0.00
Khanna	NA	NA	NA	1660	NA
Kanpur	1538	1514	1565	1570	-2.04
Karnal	NA	NA	NA	1540	NA
Rajkot	1555	1548	1535	1650	-5.76
Kota	1600	1593	1600	1626	-1.60

India FOB, Kandla (USD/T)

**Wheat Export Weekly Data:**

Weekly Export (06 Oct-05 Oct-12)	Quantity in Mt	FoB (\$/Tn)
Total	1014.00	292.69
U.A.E.	104.00	274.18
Taiwan	500.00	312.07

*Provisional Data (As per IBIS)

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18.10.2014	11.10.2014	
Delhi	Lawrence Road	Mill Delivery	1618	1615	3
	Nazafgarh	Mill Delivery Loose	1550	1555	-5
	Narella	Mill Delivery Loose	1550	1550	Unch
	Rajkot	Mill Delivery	1530	1550	-20
Gujarat	Ahmedabad	Mill Delivery	1650	1625	25
	Bhopal	Mill Quality Loose	1430	1420	10
M.P.	Indore	Mill Delivery	1610	1555	55
Rajasthan	Kota	Mill Quality	1570	1570	Unch
U.P.	Mathura`	Mill Quality Loose	1475	1500	-25
Punjab	Khanna	Mill Quality Loose	1480	1450	30
Haryana	Sirsa	Mill Delivery loose	1485	1485	Unch

Commodity: Wheat
Contract: Nov

Exchange: NCDEX
Expiry: 20th Nov, 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 buildup.
- RSI is in neutral zone.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	Nov	1535	1550	1600	1635	1650
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	Nov	Buy	1598	1608	1613	1592

*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:

Glencore, Vitol and Mesopotamia got the tender to supply 2, 00,000 tonnes of milling wheat to Turkey grain board. They got the tender in the range of \$262-\$268 a tonne c&f and have to deliver shipment between Oct. 25 to Nov. 20.. The wheat is likely to be sourced from a range of origins including Russia, Ukraine, the European Union and United States.

Russia got the latest tender of GASC's of 55,000 Tonne wheat of 12.5 percent protein content at \$239.30 a tonne on a free-on-board basis (FOB).The tender has given the necessary support to the declining wheat prices in Russia; however it may further move southward as export demand is reducing due to price competitiveness.

According to WASDE, Global wheat production is raised by 1.2 MMT from last month report to 221 MMT .The increase is mainly due to greater production estimate from E.U., Pakistan and Ukraine. Decrease in production is recorded in countries like Kazakhstan, Algeria, Australia, Canada and Argentina.

The International Grains Council raised its forecast for global wheat production in 2014/15 to 717 million tonnes, up from a previous forecast of 713 million. Better production in CIS countries, the European Union and China is the main reason for increase in production estimate.

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.

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.

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

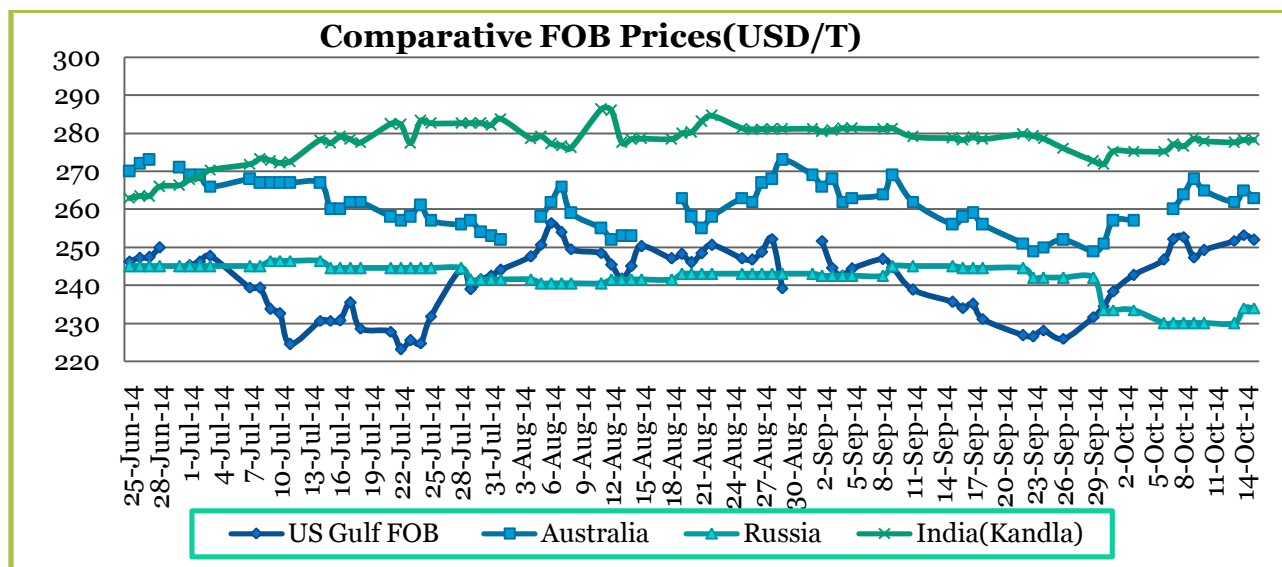
Indicative FOB Quotes:

All prices are for SRW /milling grade, comparable to Indian quality	2 nd July 14	1 st Aug 14	2 nd Sept 14	01st Oct 14
USA	246.30	244.00	251.70	238.40
France	247.87	238.88	232.27	202.52
United Kingdom	NA	NA	NA	NA
Australia	269.00	252.00	266.00	257.00
Russia	245.00	241.50	242.50	233.50
India	268.47	283.86	280.48	275.30

Global wheat market is expected to trade weak on higher wheat production estimate of 721 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: 17.10.14 (USD/T)							
CONTRACT MONTH	17 Oct 14	Week ago (08 Oct 2014)	1 Month ago (15 Sept 14)	3 Month ago (15 July 14)	6 Month ago (15 Apr 14)	1 Year ago (15 Oct 13)	% Change over previous year
14-Dec	189.58	186.55	183.98	206.11	268.75	259.02	-26.81
15-Mar	193.99	190.77	190.41	213.83	273.16	261.04	-25.69
15-May	196.38	193.25	194.45	219.34	275.18	260.39	-24.59
15-Jul	198.95	196.19	197.75	223.56	269.58	256.26	-22.37
15-Sep	202.35	200.42	201.79	228.34	270.68	258.19	-21.63
15-Dec	207.31	206.48	207.67	233.85	273.35	261.77	-20.81

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: In Western Australia, scattered showers (5-10 mm) benefited immature winter grains. A band of rain (5-25 mm) overspread southeastern Australia as well, but most of the rain fell south and east of the wheat belt. As a result, unfavorably dry weather persisted in the major agricultural areas, further reducing prospects for immature wheat. In northern New South Wales, dry weather aided winter grain dry down. More rain would be welcomed, however, to spark early summer crop development. Rain (5-25 mm, locally more) in southern Queensland favored summer crop planting, germination, and emergence. Temperatures in the wheat belt averaged 2 to 4°C above normal, helping spur winter and summer crop development.

Argentina- Locally heavy rain fostered winter grain development and boosted moisture reserves for summer crops. Rainfall totaling more than 25 mm covered a large area stretching from La Pampa and Buenos Aires to Corrientes, including much of Cordoba, with many areas recording more than 50 mm. In addition, satellite-derived rainfall estimates depicted rain in the north, northeastern Santiago del Estero, and northern Santa Fe. Weekly temperatures averaged 1 to 2°C above normal in most areas, with slightly warmer conditions (temperatures averaging 3-4°C above normal) in the far north. Consequently, daytime highs ranged from the middle 20s (degrees C) in southeastern Buenos Aires to the lower 40s in Chaco and Formosa.

Russia and Ukraine: For the second consecutive week, mostly dry weather extended from Belarus and Ukraine eastward across the Central, Southern, and Volga districts in Russia. The dry weather favored uninterrupted summer crop harvesting and winter crop planting, but reduced topsoil moisture throughout the region.

More rain is needed to help winter grain germination and emergence, especially in chronically dry crop areas from the southern Central District and southern Volga District southward into the Southern District and eastern Ukraine. Temperatures averaged 2 to 4°C above normal in Belarus and western Ukraine and near to slightly below normal in western Russia and throughout the remainder of Ukraine.

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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