AGRIWATCH

Domestic Market Updates:

As projected earlier by Agriwatch the Government has increased 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.

According to IBIS, export of wheat in the last week of October was around 32 Thousand Mt. The major export destination of Indian wheat was Algeria from kandla port which accounted 31.50 thousand MT at an average FOB price of $359.21/Tn .Other countries were U.A.E, Malaysia and Philippines.

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.

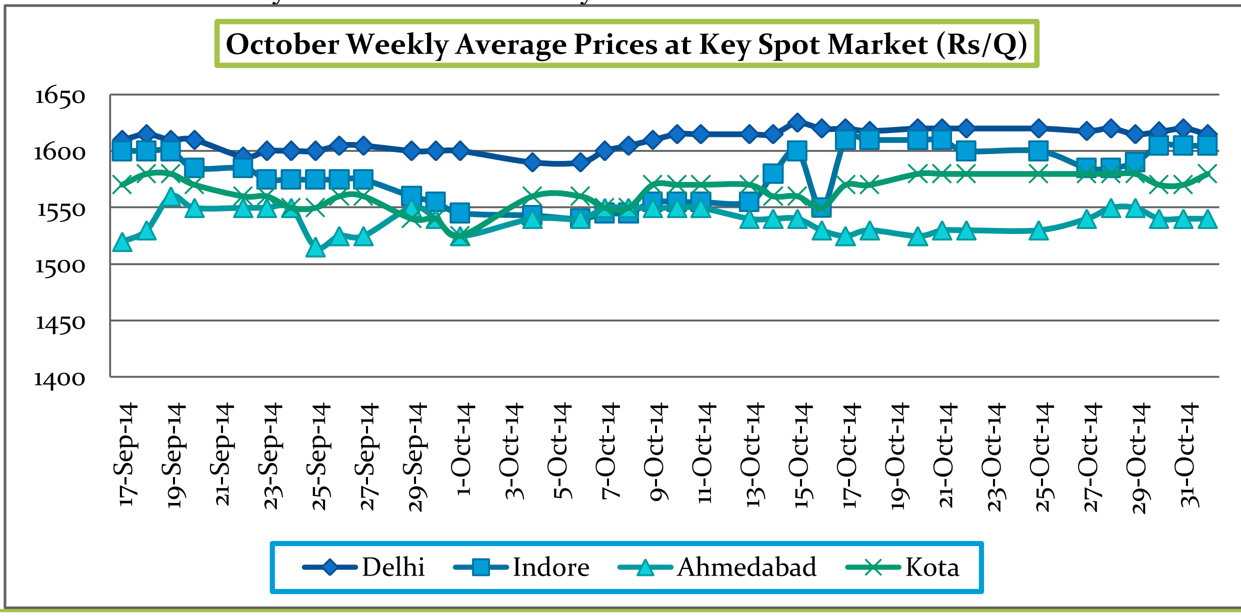
FCI has invited bids fir 1Lakh Tn wheat selling through tender in Haryana region at reserve price of Rs 1500/quintal just to augment supply in the open market especially for the flour millers in the month of October. It will restrict open market from firming up in the near term. More tender for wheat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

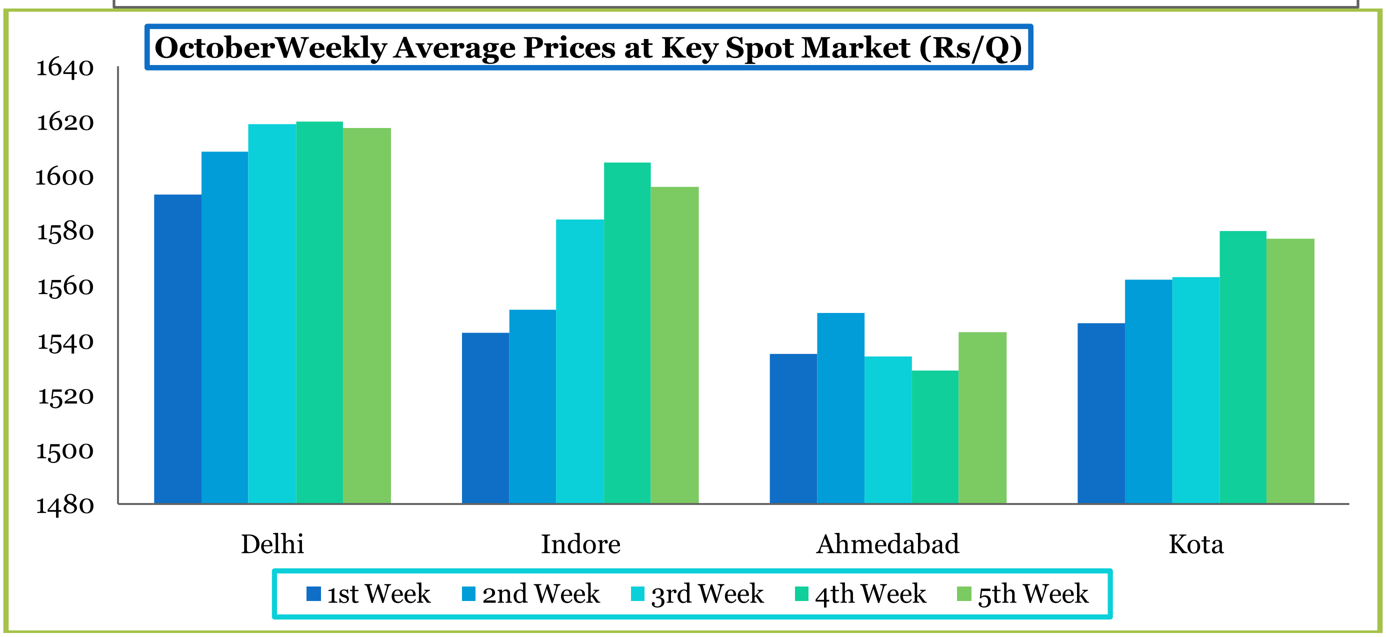
Wheat stock in central pool warehouses was registered at 32.26 million T on 01 October compared to 35.17 million T on 1st September 2014. The highest accumulated stock is in Punjab (12.36 million T) followed by Madhya Pradesh (6.62 million tonne) and Haryana (5.89 million Tonne) as on 01.10.2014.

Weather Watch: (Source-IMD)

- Rain/thundershower would occur at a few places over extreme south Peninsular India and at many places over Andaman & Nicobar Islands.
- Rain/thundershower would occur at a few places over Western Himalayan region, Lakshadweep and at isolated places over northeastern states.

- 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)

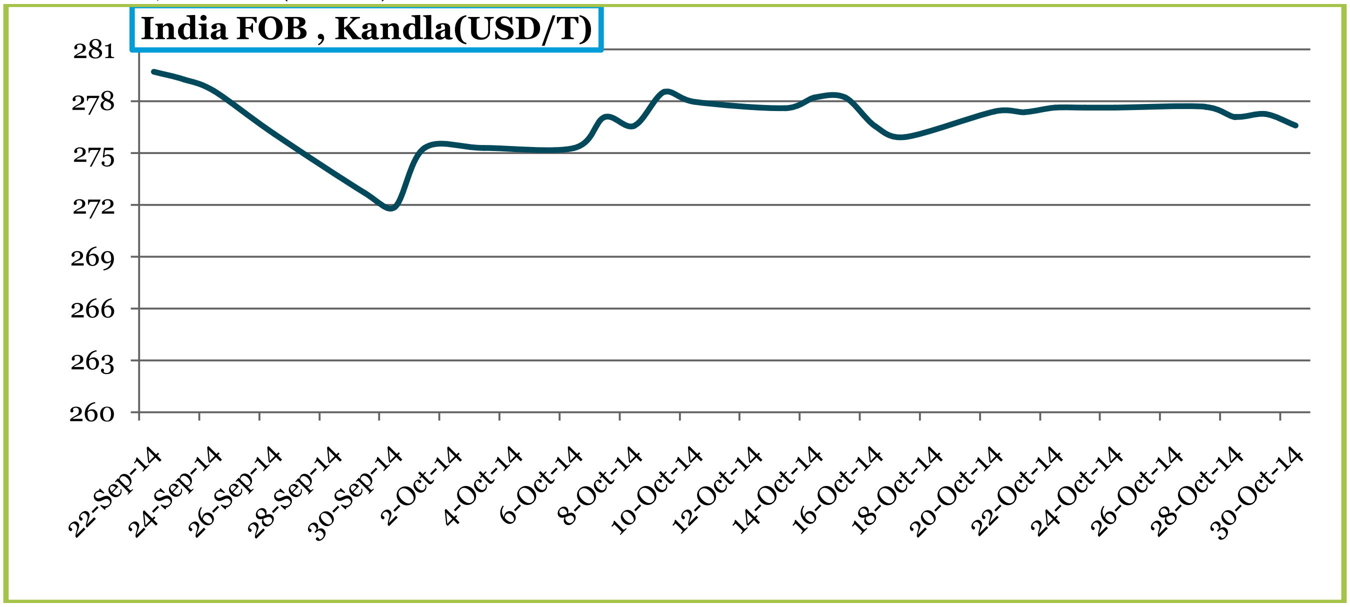
FOB Value as on 31.10.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14400	14950	15000	15750	14800	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)	15600	16600	17400	17700	16850	15700	19100
Indian FOB (USD/MT)	**254.07**	**270.36**	**283.39**	**288.27**	**274.43**	**255.70**	**311.07**
Insurance @ 0.1%	0.25	0.27	0.28	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)	272	288	301	306	292	274	329
INR	61.4	61.4	61.4	61.4	61.4	61.4	61.4
Russian Wheat FOB (USD/MT)	**292**	**292**	**292**	**292**	**292**	**292**	**292**
Parity on FOB Basis (USD/MT)	**38**	**22**	**9**	**4**	**18**	**36**	**-19**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	31 Oct, 2014	week ago 21 Oct, 2014	Month ago 30 Sept 14	Year ago 31 Oct 2013	Change over previous Year %
Indore	1590	1579	1550	1675	**-5.07**
Bareilly	1545	1543	1550	1680	**-8.04**
Delhi	1623	1621	1601	1624	**-0.06**
Khanna	NA	NA	NA	1673	**NA**
Kanpur	1523	1514	1495	1620	**-5.99**
Karnal	NA	NA	NA	1545	**NA**
Rajkot	1561	1551	1555	1700	**-8.18**
Kota	1605	1597	1580	1664	**-3.55**

India FOB, Kandla (USD/T)



Wheat Export Weekly Data:

Weekly Export (20 Oct-26 Oct-12)	Quantity in Mt	FoB ($/Tn)
Total	32472.00	326.60
Algeria	31500.00	359.21
Malaysia	279.00	288.41

***Provisional Data (As per IBIS)**

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31.10.2014	**25.10.2014**	
Delhi	**Lawrence Road**	**Mill Delivery**	1615	1620	**-5**
	Nazafgarh	**Mill Delivery Loose**	1540	1550	**-10**
	Narella	**Mill Delivery Loose**	1600	1575	**25**
Gujarat	**Rajkot**	**Mill Delivery**	1540	1525	**15**
	Ahmedabad	**Mill Delivery**	1650	1625	**25**
M.P.	**Bhopal**	**Mill Quality Loose**	1440	1450	**-10**
	Indore	**Mill Delivery**	1605	1610	**-5**
Rajasthan	**Kota**	**Mill Quality**	1495	1495	**Unch**
U.P.	**Mathura`**	**Mill Quality Loose**	1475	1475	**Unch**
Punjab	**Khanna**	**Mill Quality Loose**	1450	1450	**Unch**
Haryana	**Sirsa**	**Mill Delivery loose**	1490	1485	**5**

Commodity: Wheat | **Exchange: NCDEX**
Contract: Nov | **Expiry: 20th Nov, 2014**

Wheat (Weekly Chart)

Technical Commentary:

- Candle stick chart depicts downward 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	Nov	1535	1550	1581	1600	1615
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	Nov	**Sell**	1586	1576	1571	1592

*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:

The International Grains Council raised its forecast for global wheat production in 2014/15 to 718 million tonnes, up from a previous forecast of 717 million. Better production in CIS countries, the European Union and China is the main reason for increase in production estimate.

Unfavorable weather in key wheat-growing regions in Australia could cause output to fall more than 5 percent from the country's official estimate for 2014/15.Lower wheat production in Australia would support global prices, which have firmed in recent weeks due to concern over the condition of the U.S. winter crop, which is behind schedule after wet weather.

Bangladesh to buy 250000 of wheat at $297.50 a tonne cIf in a government-to-government deal with Ukraine. The Bangladesh state grains purchasing agency plans to import a total of 900,000 tonnes of wheat in the financial year that started in July.

Private buyers in Egypt purchased about 12,000 tonnes of wheat of 11.5 percent protein from the Black Sea region, possibly to be sourced from Russia or Moldavia at $241 / tonne c&f which has to be delivered in November.

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.

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.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13.	2013-14 Est	Forecast for 2014-15	
						25.09.2014	30.10.2014
Production	679	653	695	655	713	717	718
Trade	128	126	145	141	155	147	149
Consumptions	652	657	698	677	697	709	710
Carryover stocks	199	194	192	169	185	195	193
Y-O-Y change	27	-4	-2	-22	16	8	8
Major Export	79	73	68	48	52	60	60

Indicative FOB Quotes:

All prices are for SRW /milling grade, comparable to Indian quality	2nd July 14	1st Aug 14	2nd 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.

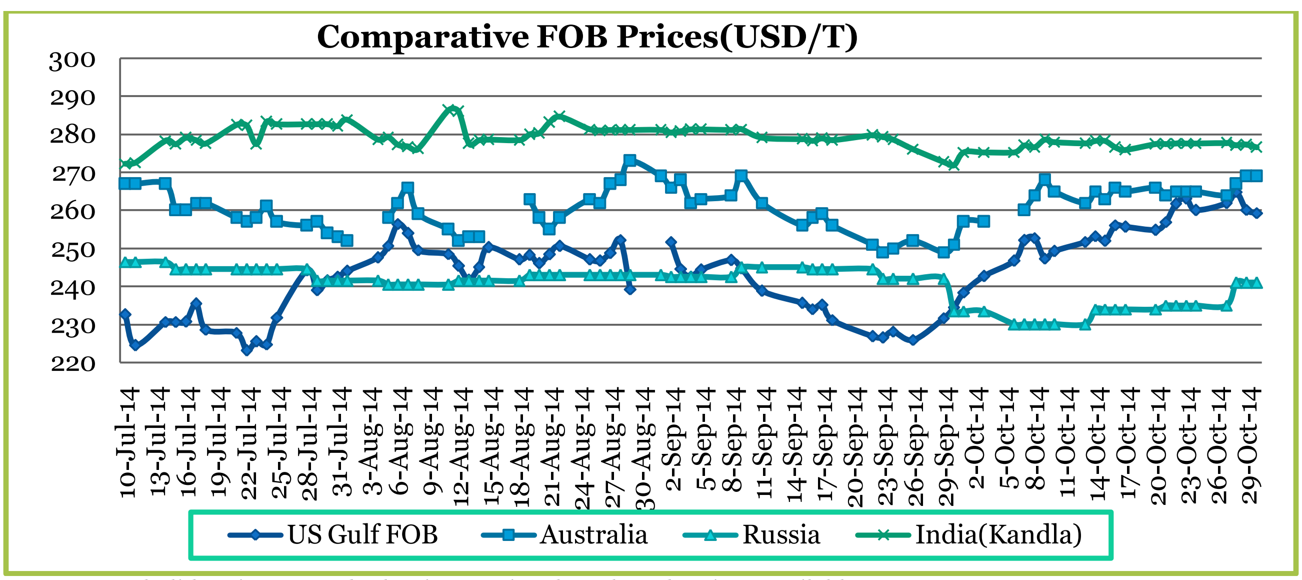
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 30.10.14 (USD/T)

CONTRACT MONTH	30 Oct 14	Week ago (23 Oct 2014)	1 Month ago(30 Sept 14)	3 Month ago(30 July 14)	6 Month ago(30 Apr 14)	1 Year ago(30 Oct 13)	% Change over previous year
14-Dec	196.93	193.53	212.27	201.89	272.89	258.56	-23.84
15-Mar	201.70	198.49	180.21	210.43	277.30	260.49	-22.57
15-May	204.64	201.34	183.24	215.57	278.95	260.67	-21.49
15-Jul	207.49	204.00	185.35	219.52	273.99	258.47	-19.72
15-Sep	211.35	207.49	189.39	223.93	274.91	260.03	-18.72
15-Dec	215.85	212.08	195.36	229.63	277.30	264.34	-18.35

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, wide spread showers (10-25 mm, locally more) benefited immature winter wheat in the south, but slowed dry down and harvesting of the earliest sown and maturing winter crops. Elsewhere in the wheat belt, hot, mostly dry weather in South Australia, Victoria, and southern New South Wales further reduced prospects for filling winter wheat, but helped maintain the quality of maturing winter crops. Winter crop harvesting has reportedly begun across portions of southeastern Australia and likely proceeded without delay during the past week. Similarly, hot, mostly dry weather accelerated winter crop maturation and harvesting in northern New South Wales and southern Queensland. The heat and dryness was unwelcome for recently sown summer crops, however, reducing topsoil moisture for dry land crops and increasing irrigation requirements elsewhere. More rain would be welcome throughout this region to aid summer crop emergence and establishment. In southern and eastern Australia, temperatures averaged about 1 to 5°C above normal, with maximum temperatures in the lower to middle 30s degrees C. In Western Australia, temperatures averaged about 1 to 2°C above normal, with maximum temperatures generally in the upper 20s degrees C.

Argentina- Mostly dry, warmer-than-normal weather spurred in areas of central Argentina. Rainfall was generally scattered and light, with just a few locations recording more than 10 mm. Following a cool start to the week, warmer weather dominated the region (daytime highs reaching the lower and middle 30s degrees C on several days), resulting in weekly temperatures averaging 4 to 6°C above normal. Scattered showers also swept across the north; satellite imagery depicted locally heavy showers from Santiago del Estero to Corrientes, which would be overall beneficial for winter grain development and establishment of newly-sown summer crops. Similar to central Argentina, warm weather dominated the latter part of the week, with daytime highs reaching 40°C at week's end, pushing weekly average temperatures up to 4°C above normal.

Russia and Ukraine: The coldest weather of the season settled over the region. A strong cold front generated rain and wet snow over western and southern Russia as well as neighboring portions of Ukraine and Belarus. The moisture, which totaled more than 25 mm (liquid equivalent) in key winter wheat areas of southern Russia. However, temperatures behind the cold front averaged up to 5°C below normal, with the coldest conditions (nighttime readings of -10°C or lower) in northern-most growing areas likely hastening winter crops into dormancy. Even with some snow and cold, winter wheat in Russia's Southern and North Caucasus Districts was not yet dormant.
In Ukraine, despite the changeable and unsettled weather, mostly dry conditions in north-central parts of the country. Winter wheat in southern Ukraine benefited from 10 to 25 mm (locally more) of rain. Across the remainder of Russia, an early-season snowfall halted spring wheat harvesting in eastern portions of the country, while a sharp cold snap ended the growing season east of the Volga District.

International Weekly Outlook: With Due to some disturbance in weather in many parts of U.S. there is slightly upward movement. However the better crop production estimate will stop the bull market. There can be a resistance at 545 bushel.

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