**Domestic Market Updates:**

**Wheat area in Punjab is likely to reduce this year** and may go under sugarcane .Wheat sowing in Punjab has been started and 80% of the sowing has been completed in Sangrur district. According to the farmers of the sangrur district despite the fall in area, the production is likely to remain around 15.63 lakh tonnes in the next year, a little lower than the 15.67 lakh tonnes last year.

**Wheat stock in central pool warehouses was registered at 30.13 million T** on 01 November compared to 32.26 million T on 01 October 2014. The highest accumulated stock is in Punjab (11.14 million T) followed by Madhya Pradesh (5.92 million tonne) and Haryana (5.25 million Tonne) as on 01.11.2014.

**As of now Wheat area is lagging behind by 52% in comparison to last year** till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 4.47 lakh hactares against corresponding period of 2013-14(9.39 lakh hactares).

**According to IBIS, export of wheat in the first week of November (03-09 Nov) was around 1.6 Thousand Mt.** The major export destination of Indian wheat was Philippines from JNPT port which accounted .36 thousand MT at an average FOB price of $283.55/Tn .Other countries were U.A.E and Malaysia.

**With favorable weather wheat sowing commenced in states like MP and Gujarat l**ast week and it is expected to begin in Punjab, Haryana and Rajasthan by the second week of November. Farmers in MP and Gujarat have covered almost 5 and 10 percent area so far.Wheat planting is almost delayed by a couple of week in Punjab Haryana and UP this year due to late harvesting of paddy .Despite late paddy harvesting area under wheat is unlike to decrease this year .

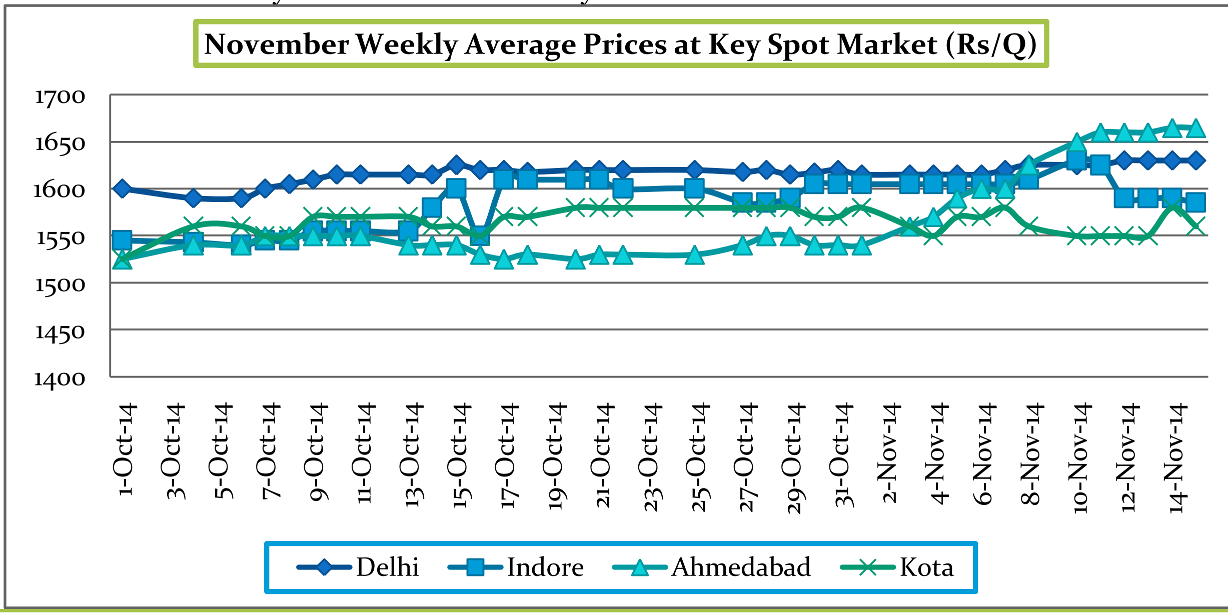
**South Indian traders and flour miller had purchased 12,000 tonnes of premium white wheat from Australia** at $310-315/tonne. They had purchased APW wheat which has a protein content of about 12 percent as the prices and transportation cost are lower than the domestic prices and logistics to reach wheat to south India.

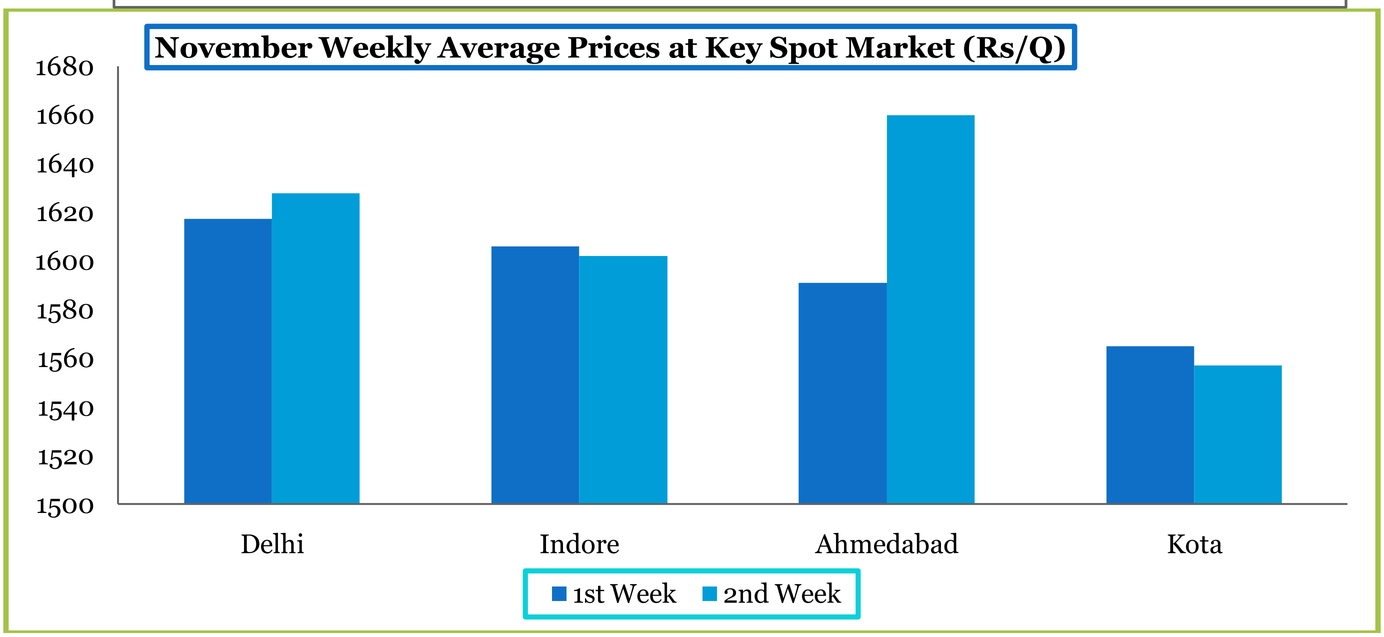
**As projected earlier by Agriwatch the Government** has increased the minimum support price of wheat by a nominal Rs 50 to Rs 1,450 a quintal this year. The rabi crops of this year will be marketed in 2015-16 starting April.

***Weather Watch: (Source-IMD)***

- A fresh western disturbance would affect western Himalayan region from 20th onwards.
- Rain/thundershowers would occur at many places over Andaman & Nicobar Islands and at a f ew places over extreme south peninsular India.
- Rain/ thundershowers would occur at isolated places overKonkan & Goa, Madhya Maharashtr a and NorthAndhra Pradesh.

- 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 | 8.50 | 0.00 | 8.50 |
| NORTH EAST ZONE | 0.39 | 0.00 | 0.39 |
| NORTH ZONE | 105.28 | 104.76 | 210.04 |
| SOUTH ZONE | 6.87 | 0.00 | 6.87 |
| WEST ZONE | 14.48 | 57.30 | 71.78 |
| **TOTAL** | **135.52** | **162.06** | **297.58** |

(Figures in Lakh Tonnes)

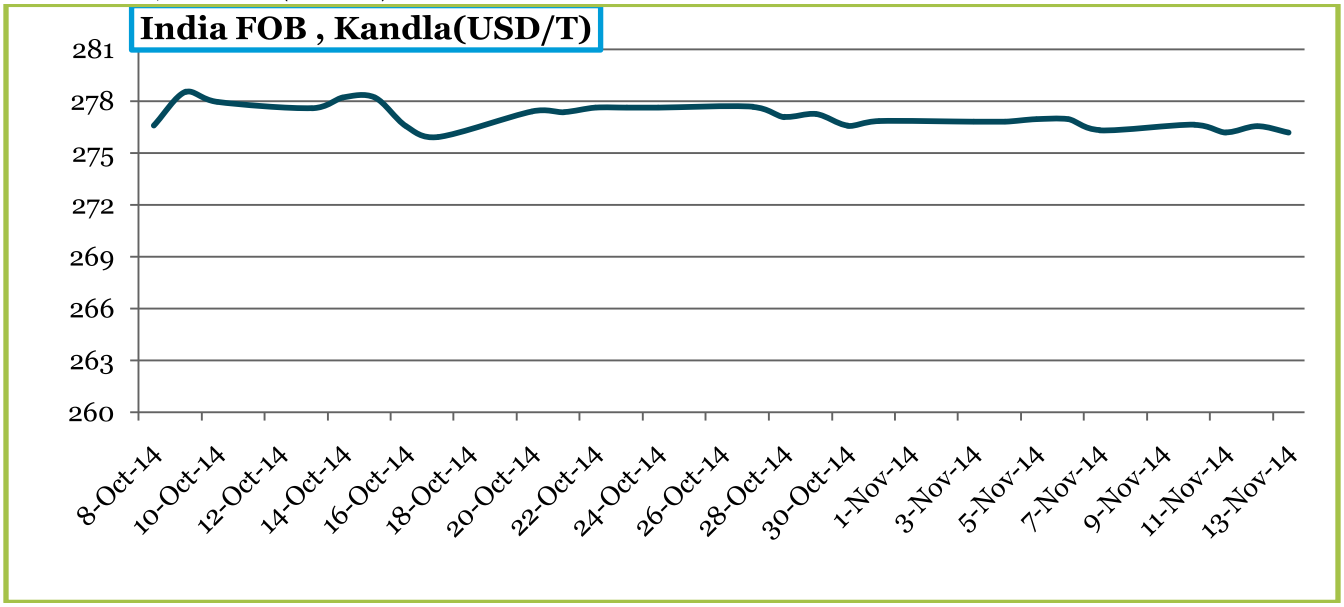
**FOB Value as on 15.11.2014 from various destinations at Kandla:**

| Parity Calculation | Rajkot | Kota | Begusarai | Indore | Kosi | MSP | ECO.Cost |
|---|---|---|---|---|---|---|---|
| Basic cost of wheat (Rs/ton) | 15750 | 14800 | 14900 | 15500 | 15000 | 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) | 16950 | 16450 | 17300 | 17450 | 17050 | 15700 | 19100 |
| **Indian FOB (USD/MT)** | **274.98** | **266.87** | **280.66** | **283.10** | **276.61** | **254.70** | **309.86** |
| Insurance @ 0.1% | 0.27 | 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) | 293 | 285 | 299 | 301 | 295 | 273 | 328 |
| **INR** | 61.64 | 61.64 | 61.64 | 61.64 | 61.64 | 61.64 | 61.64 |
| **Russian Wheat FOB (USD/MT)** | **292** | **292** | **292** | **292** | **292** | **292** | **292** |
| **Parity on FOB Basis (USD/MT)** | **17** | **25** | **11** | **9** | **15** | **37** | **-18** |

## Spot prices of wheat at NCDEX Delivery centers

| NCDEX SPOT | 14 Nov, 2014 | week ago 05 Nov, 2014 | Month ago 13 Oct 14 | Year ago 11 Nov 2013 | Change over previous Year % |
|---|---|---|---|---|---|
| **Indore** | 1590 | 1600 | 1575 | 1700 | **-6.47** |
| **Bareilly** | 1560 | 1553 | 1545 | 1700 | **-8.24** |
| **Delhi** | 1633 | 1623 | 1618 | 1625 | **0.49** |
| **Khanna** | NA | NA | NA | 1701 | **NA** |
| **Kanpur** | 1508 | 1520 | 1514 | 1660 | **-9.19** |
| **Karnal** | NA | NA | NA | 1550 | **NA** |
| **Rajkot** | 1643 | 1571 | 1547 | 1698 | **-3.22** |
| **Kota** | 1603 | 1605 | 1593 | 1688 | **-5.07** |

India FOB, Kandla (USD/T)




***Wheat Export Weekly Data:***

| Weekly Export (03 Nov-09 Nov-14) | Quantity in Mt | FoB ($/Tn) |
|---|---|---|
| Total | 1602.00 | 337.02 |
| Philippines | 692.00 | 283.55 |
| Malaysia | 501.00 | 306.57 |

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

**Domestic Key Spot Market Price Comparison:**

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|---|---|---|---|---|---|
| | | | **15.11.2014** | **08.11.2014** | |
| Delhi | **Lawrence Road** | **Mill Delivery** | 1630 | 1625 | **5** |
| | **Nazafgarh** | **Mill Delivery Loose** | 1575 | 1550 | **25** |
| | **Narella** | **Mill Delivery Loose** | 1605 | 1600 | **5** |
| Gujarat | **Rajkot** | **Mill Delivery** | 1665 | 1600 | **65** |
| | **Ahmedabad** | **Mill Delivery** | 1710 | 1700 | **10** |
| M.P. | **Bhopal** | **Mill Quality Loose** | 1450 | 1460 | **-10** |
| | **Indore** | **Mill Delivery** | 1585 | 1610 | **-25** |
| **Rajasthan** | **Kota** | **Mill Quality** | 1480 | 1485 | **-5** |
| **U.P.** | **Kosi** | **Mill Quality Loose** | 1500 | 1480 | **20** |
| **Punjab** | **Khanna** | **Mill Quality Loose** | 1485 | 1480 | **5** |
| **Haryana** | **Sirsa** | **Mill Delivery loose** | 1495 | 1490 | **5** |

**Commodity: Wheat** **Exchange: NCDEX**
**Contract: Dec** **Expiry: 19th Dec, 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: Sell**

| **Intraday Supports & Resistances** | | | **S2** | **S1** | **PCP** | **R1** | **R2** |
|---|---|---|---|---|---|---|---|
| Wheat | NCDEX | Dec | 1600 | 1615 | 1629 | 1650 | 1670 |
| **Intraday Trade Call*** | | | **Call** | **Entry** | **T1** | **T2** | **SL** |
| Wheat | NCDEX | Dec | **Sell** | 1633 | 1627 | 1625 | 1637 |

*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:**

**Morgan Stanley reduced its price forecasts for wheat** because global surpluses are larger than current expectation and said rates will probably fall to a level that may curb supplies in high-cost producers Australia. The bank cut its estimate for Wheat to $5.40 a bushel from $5.75. Wheat lost 15 percent as global production climbed to the highest ever, according to the U.S. Department of Agriculture. World grain reserves will touch a 15- year high and weigh on wheat prices, according to Abdolreza Abbassian, senior economist at the United Nations' Food & Agriculture Organization.

**The U.S. Department of Agriculture on their latest report** cut its forecast for global wheat production with an increase in the EU crop more than offset by cuts for Australia, Kazakhstan and North Africa.

**Argentina's wheat is first hit by frost and now by strong rainfall** which could cause an outbreak of disease in the crop. The crop is in an advanced stage of growth and these adverse conditions can effect in the final yield.

**Egypt had purchased 60,000 tonnes of wheat from France at $260/tonne CiF** which has to be delivered between 1-10 December. Till now from July 1st, Egypt has bought 1.955 million tonnes of wheat from the international market, in 2013-14 Egypt had purchased 5.46 million tonnes of wheat from abroad in addition to 3.7 million tonnes of local wheat.

**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.

### 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 |

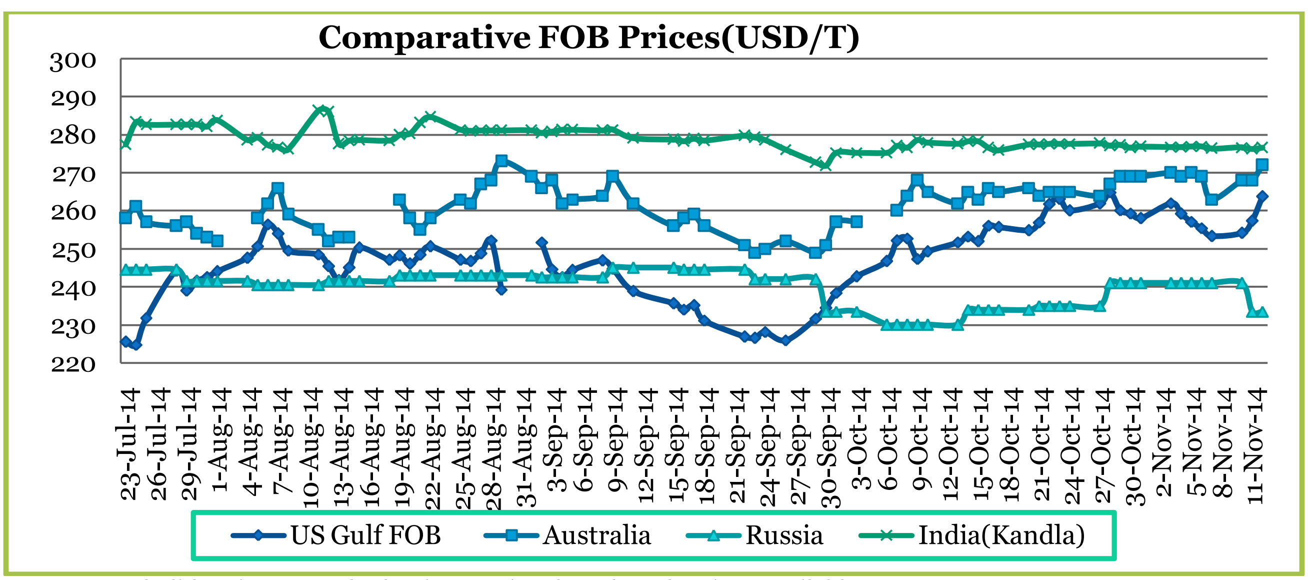
Global wheat market is expected to trade weak on higher wheat production estimate of 721 million tones and IGC latest estimate of 717 million tones may keep market under pressure in medium term.

### CBOT FUTURES CONTRACT:

| CBOT Futures Prices: Date: 14.11.14 (USD/T) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **CONTRACT MONTH** | **14 Nov 14** | **Week ago (07 Nov 2014)** | **1 Month ago(16 Oct 14)** | **3 Month ago(14 Aug 14)** | **6 Month ago(15 May 14)** | **1 Year ago(14 Nov 13)** | **% Change over previous year** |
| **14-Dec** | 205.93 | 189.03 | 189.95 | 203.08 | 249.19 | 236.88 | **-13.07** |
| **15-Mar** | 206.75 | 193.34 | 194.26 | 210.52 | 263.43 | 240.74 | **-14.12** |
| **15-May** | 209.23 | 196.19 | 196.74 | 215.20 | 266.00 | 242.30 | **-13.65** |
| **15-Jul** | 211.44 | 198.49 | 199.41 | 218.69 | 265.35 | 242.208 | **-12.70** |
| **15-Sep** | 214.65 | 201.79 | 202.90 | 223.10 | 252.40 | 245.240 | **-12.47** |
| **15-Dec** | 218.79 | 206.94 | 208.13 | 197.39 | 258.19 | 249.556 | **-12.33** |

## 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**: Warm, mostly dry weather persisted in western and southeastern Australia, promoting wheat maturation and harvesting. Farther north, scattered, light showers (5-25 mm) fell in northern New South Wales and southern Queensland, increasing local moisture supplies. The showers may have temporarily delayed local fieldwork, such as winter wheat harvesting and summer crop planting, but the rain was overall beneficial, providing a needed boost in topsoil moisture for summer crops. Temperatures in the wheat belt were generally seasonable, averaging within 1°C of normal in most locations.

**Argentina**- Locally heavy rain slowed summer crop planting, but moisture reserves remained adequate to abundant for germination and establishment in most agricultural areas. For a second week, the heaviest rain (50 to more than 100 mm) was concentrated over the lower Parana Valley and the northeast (notably eastern sections of Chaco and Formosa). Lighter amounts (5-25 mm) fell in western production areas where additional moisture would be welcome for germination and establishment of summer grains. Weekly average temperatures were near to below normal, due mainly to several days of cool weather during the early part of the week. By week's end, daytime highs had reached the middle and upper 20s (degrees C) in southern farming areas (La Pampa and Buenos Aires) and the upper 30s farther north.

**Russia and Ukraine**: Cold, mostly dry weather prevailed in major winter wheat areas, though somewhat milder conditions returned to northern- and western-most parts of the region. A strong area of high pressure maintained sunny skies and below-normal temperatures (1-4°C below normal) in southern Russia. Nighttime readings dropped below -5°C in key southern wheat oblasts, with weekly average temperatures less than 5°C indicating winter wheat was approaching or entering dormancy in the Southern and North Caucasus Districts in Russia. Rain and snow (1-20 mm, liquid equivalent) were mostly confined to the North Caucasus District, though a secondary area of precipitation in northern portions of the Southern District provided some moisture for winter crops beset by an unfavorably dry autumn. Meanwhile, near- to above-normal temperatures in Moldova, Ukraine, Belarus, and northern Russia eased crop stress brought on by the abrupt early-November cold.

***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 600 bushel.