

### Domestic Market Updates:

**Early sown wheat crop in Punjab Haryana UP Rajasthan and Gujarat** is under tile ring stage and germination is set to be over 90% of the sown seed. In some area farmers are thinking of second irrigation as crop has entered into sprouting stage. Crop in these states are rated good to excellent condition so far one pre monsoon rain is expected at this point of time which may prove more beneficial to the wheat crop.

**Wheat sowing in various part of the country is on full swing** backed up by favorable weather .In khanna region of Punjab, wheat sowing reach at 70% of expected area .In Indore region of MP it is nearing complete ion of around 80%.however it is slower Bhopal where 50% area has been sown till date. In swarashtra region of Gujarat sowing is over by 90% .Weather remains favorable and theses region sowing is likely to over by 1st week of December.

**Despite ample supply from private and central pool wheat price is bound to move slightly up** in the coming weeks due to seasonal factors like lower supply of premium grade wheat, normal demand from whole sellers, retailers and flour millers. However any spike from current level is unlikely as supply from central pool stock through tender and it will remain restrictive to the market fundamental.

**According to IBIS, export of wheat in the second week of November** (10-16 Nov) was around 1.3 Thousand Mt. The major export destination of Indian wheat was Philippines from JNPT port which accounted .85 thousand MT at an average FOB price of \$283.98/Tn .Other countries were U.A.E and Malaysia.

**As of now Wheat area is lagging behind by 18% in comparison to last year** till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 42.88 lakh hactares against corresponding period of 2013-14(52.50 lakh hactares).

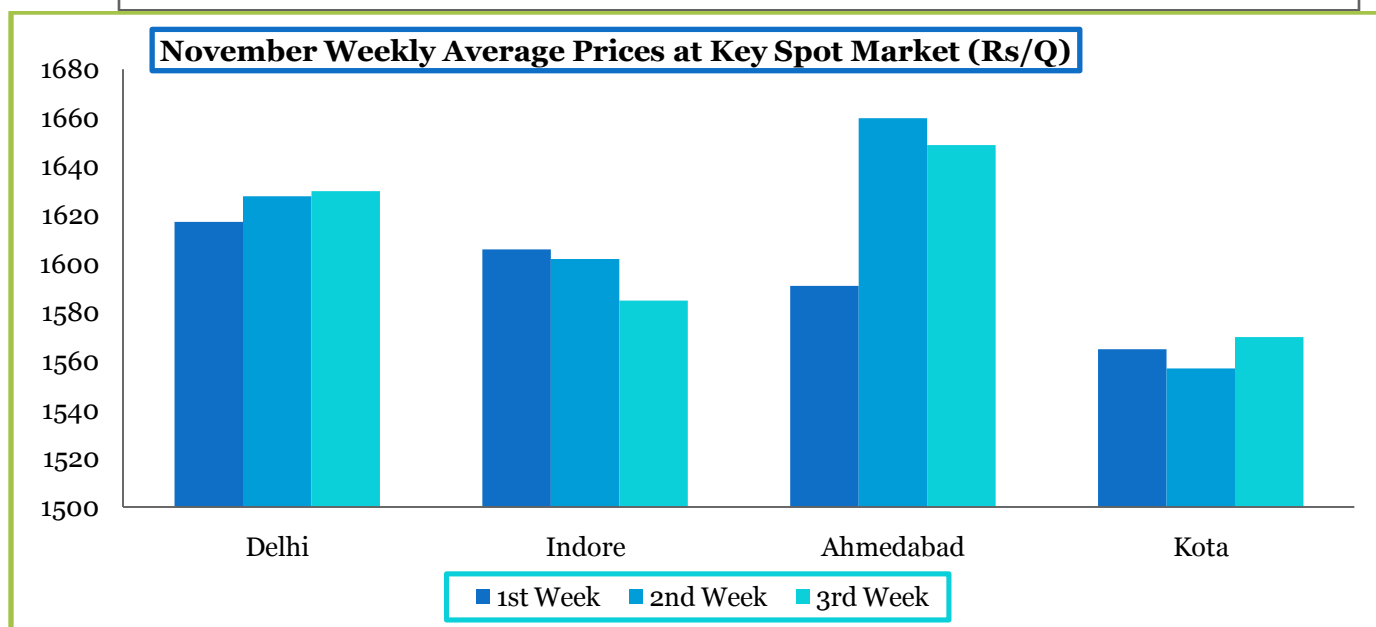
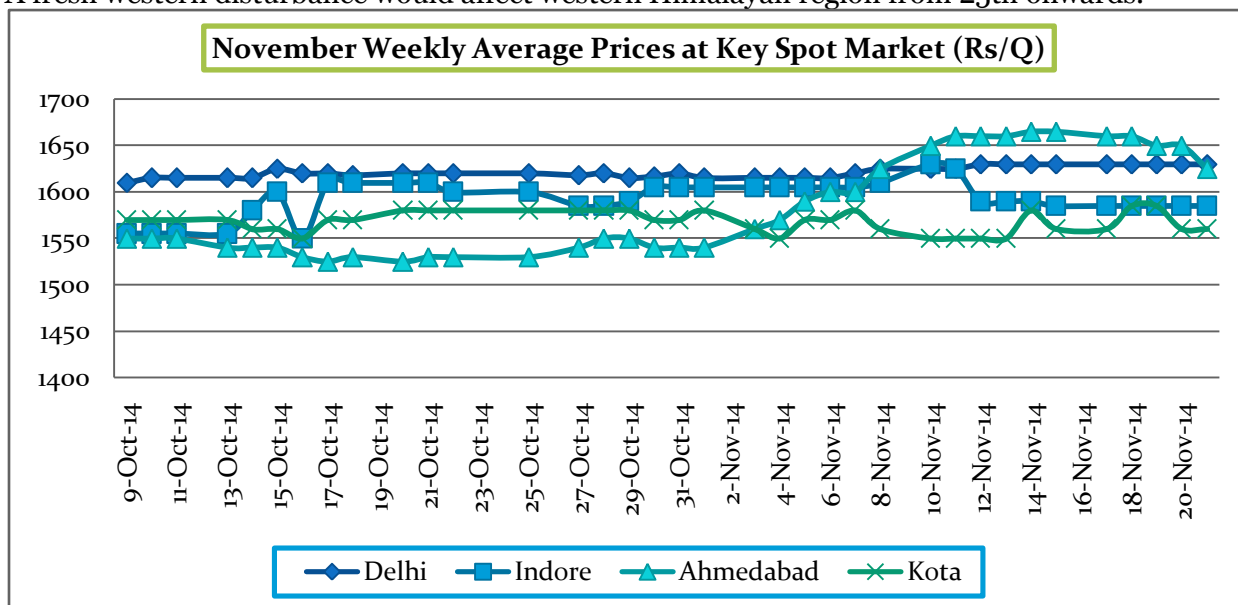
**Wheat area in Punjab is likely to reduce this year** and may go under sugarcane .Wheat sowing in Punjab has been started and 80% of the sowing has been completed in Sangrur district. According to the farmers of the sangrur district despite the fall in area, the production is likely to remain around 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.

### Weather Watch: (Source-IMD)

- Increase in rainfall activity over south peninsular India.
- Rain/thundershowers would occur at a few places over Andaman & Nicobar Islands.
- Rain/ thundershowers would occur at isolated places over Arunachal Pradesh and Assam & Meghalaya.
- Weather would be dry over rest of the country.

- A fresh western disturbance would affect western Himalayan region from 25th onwards.



STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.11.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
<b>EAST ZONE</b>	8.50	0.00	8.50
<b>NORTH EAST ZONE</b>	0.39	0.00	0.39
<b>NORTH ZONE</b>	105.28	104.76	210.04
<b>SOUTH ZONE</b>	6.87	0.00	6.87
<b>WEST ZONE</b>	14.48	57.30	71.78
<b>TOTAL</b>	<b>135.52</b>	<b>162.06</b>	<b>297.58</b>

(Figures in Lakh Tonnes)

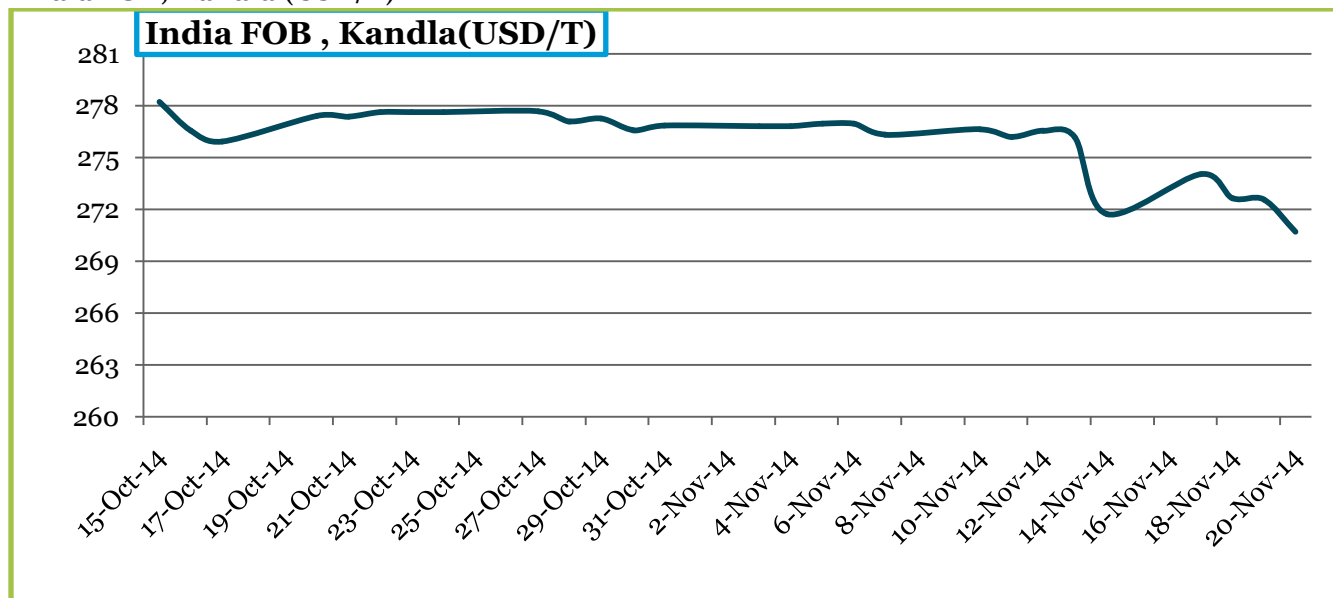
**FOB Value as on 21.11.2014 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15550	14800	14800	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)	16750	16450	17200	17450	17050	15700	19100
<b>Indian FOB (USD/MT)</b>	<b>270.82</b>	<b>265.97</b>	<b>278.09</b>	<b>282.13</b>	<b>275.67</b>	<b>253.84</b>	<b>308.81</b>
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)	289	284	296	300	294	272	327
<b>INR</b>	<b>61.85</b>	<b>61.85</b>	<b>61.85</b>	<b>61.85</b>	<b>61.85</b>	<b>61.85</b>	<b>61.85</b>
<b>Russian Wheat FOB (USD/MT)</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>
<b>Parity on FOB Basis (USD/MT)</b>	<b>21</b>	<b>26</b>	<b>14</b>	<b>10</b>	<b>16</b>	<b>38</b>	<b>-17</b>

**Spot prices of wheat at NCDEX Delivery centers**

NCDEX SPOT	21 Nov, 2014	week ago 14 Nov, 2014	Month ago 20 Oct 14	Year ago 19 Nov 2013	Change over previous Year %
<b>Indore</b>	1580	1590	1583	1675	<b>-5.67</b>
<b>Bareilly</b>	1558	1560	1550	1695	<b>-8.08</b>
<b>Delhi</b>	1637	1633	1624	1651	<b>-0.85</b>
<b>Khanna</b>	NA	NA	NA	1767	<b>NA</b>
<b>Kanpur</b>	1505	1508	1514	1643	<b>-8.40</b>
<b>Karnal</b>	NA	NA	NA	1580	<b>NA</b>
<b>Rajkot</b>	1618	1643	1553	1710	<b>-5.38</b>
<b>Kota</b>	1595	1603	1597	1728	<b>-7.70</b>

## 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
			21.11.2014	15.11.2014	
Delhi	Lawrence Road	Mill Delivery	1630	1630	Unch
	Nazafgarh	Mill Delivery Loose	1550	1575	-25
	Narella	Mill Delivery Loose	1600	1605	-5
	Rajkot	Mill Delivery	1625	1665	-40
Gujarat	Ahmedabad	Mill Delivery	1700	1710	-10
	Bhopal	Mill Quality Loose	1450	1450	Unch
M.P.	Indore	Mill Delivery	1585	1585	Unch
Rajasthan	Kota	Mill Quality	1480	1480	Unch
U.P.	Kosi	Mill Quality Loose	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	1480	1485	-5
Haryana	Sirsa	Mill Delivery loose	1495	1495	Unch

Commodity: Wheat  
Contract: Dec

Exchange: NCDEX  
Expiry: 19<sup>th</sup> Dec, 2014

### Wheat (Weekly Chart)



### Technical Commentary:

- Candle stick chart depicts upward 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	1610	1620	1647	1675	1690
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	Dec	<b>Sell</b>	1655	1645	1640	1661

\*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:

**Global wheat market continue to trade up due to severe snow fall in USA** and growing fear of crop loss in main wheat belts. Besides buyers who are waiting for stabilization in market enter into the market for fresh buying that encouraged global wheat market in last two weeks. Market is likely to move up in current level as major buyers of US wheat are expected to increase their buying in increasing market, it will remain supportive in the short term despite ample availability and good production prospects.

**Chicago Board of Trade climbed from last week** due to adverse condition for wheat crop. This year winter season in US is colder than average winter and that could have an impact on yield of wheat crop. Market may test the first resistance level of 590 cent per bushel in the short term.

**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.

## 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
<b>Production</b>	679	653	695	655	713	717	718
<b>Trade</b>	128	126	145	141	155	147	149
<b>Consumptions</b>	652	657	698	677	697	709	710
<b>Carryover stocks</b>	199	194	192	169	185	195	193
<b>Y-O-Y change</b>	27	-4	-2	-22	16	8	8
<b>Major Export</b>	79	73	68	48	52	60	60

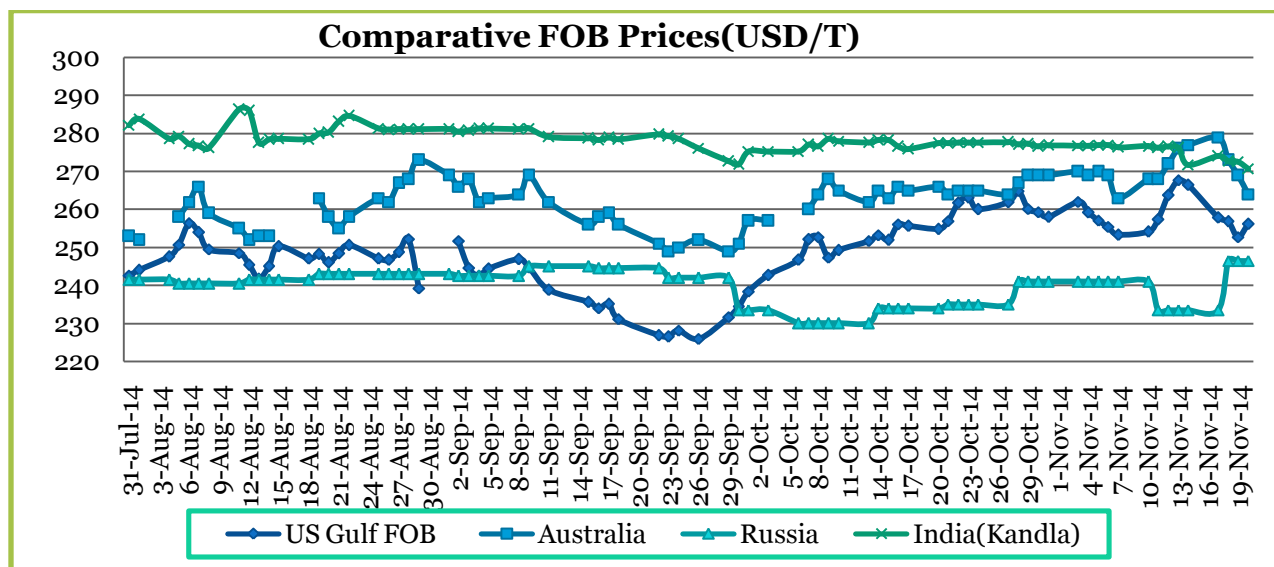
## Indicative FOB Quotes:

All prices are for SRW /milling grade, comparable to Indian quality	2 <sup>nd</sup> July 14	1 <sup>st</sup> Aug 14	2 <sup>nd</sup> Sept 14	01 <sup>st</sup> Oct 14
<b>USA</b>	246.30	244.00	251.70	238.40
<b>France</b>	247.87	238.88	232.27	202.52
<b>United Kingdom</b>	NA	NA	NA	NA
<b>Australia</b>	269.00	252.00	266.00	257.00
<b>Russia</b>	245.00	241.50	242.50	233.50
<b>India</b>	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: 20.11.14 (USD/T)							
CONTRACT MONTH	20 Nov 14	Week ago (14 Nov 2014)	1 Month ago(20 Oct 14)	3 Month ago(20 Aug 14)	6 Month ago(20 May 14)	1 Year ago(20 Nov 13)	% Change over previous year
<b>14-Dec</b>	201.06	205.93	188.66	202.07	256.08	247.44	<b>-18.75</b>
<b>15-Mar</b>	202.99	206.75	193.34	208.96	261.41	249.28	<b>-18.57</b>
<b>15-May</b>	205.47	209.23	195.53	213.09	264.16	249.92	<b>-17.79</b>
<b>15-Jul</b>	207.40	211.44	198.03	215.76	263.61	247.44	<b>-16.18</b>
<b>15-Sep</b>	210.61	214.65	201.70	220.26	265.17	249.19	<b>-15.48</b>
<b>15-Dec</b>	214.93	218.79	206.57	225.49	267.65	253.14	<b>-15.09</b>

**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 October, warm, sunny weather bookended soaking midmonth rains in Western Australia, maintaining generally favorable conditions for immature wheat. In contrast, unfavorably dry weather persisted for a third consecutive month in southeastern Australia, further reducing prospects for immature winter grains. In northern New South Wales and southern Queensland, drier than-normal weather aided winter wheat maturation and harvesting.

**Argentina-** In October, periods of heavy rain maintained adequate to abundant levels of moisture for wheat. Monthly accumulations totaled more than 100 mm from La Pampa and Buenos Aires northeastward through Corrientes; for some southern areas, these totals represented more than twice the normal monthly amounts. Rainfall was generally lighter elsewhere, with some northwestern locations recording less than 25 mm over the month. Some western areas — including Cordoba — received rainfall early in the month then became drier, making the wetter conditions in November welcome. Monthly temperatures averaged 1 to 3°C above normal in central Argentina and up to 5°C above normal farther north, with daytime highs in excess of 40°C in some locations during several unusually early heat waves. In contrast, some traditionally cooler locations in southeastern Buenos Aires recorded occasional frost, though no significant impact on agriculture was likely.

**Russia and Ukraine:** Favorable October rainfall was reported in key southern winter wheat areas, where prospects for crop establishment remained good to excellent. In particular, rain totaled 25 to 100 mm from southern Ukraine into southern portions of Russia's Southern District (100-150 percent of normal). In contrast, dryness (locally less than 10 percent of normal) lingered in northern winter wheat districts of Russia and Ukraine, reducing soil moisture for winter crop establishment. Temperatures averaged 1 to 2°C below normal during October, with a sharp cold (-10 to -20°C) snap at month's end accelerating winter crops into dormancy over central and northern portions of the region and causing some burn back in the coldest locales.

**International Weekly Outlook:** Global wheat market may trade steady to firm due to unfavorable weather condition. Market may test the first resistance level of 590 cent per bushel in the short term. However, better production world over and higher marketable surplus would not allow market to go for any Bull Run. We expect market to trade in the range of \$190 to \$220 per T.

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