AGRIWATCH

Domestic Market Updates:

As per farmer's feedback, paddy harvesting in Eastern Uttar Pradesh is under process and likely to end up by December end, Wheat sowing is too on its full swing and expected to complete by first week of January. As per data received from Agriculture Ministry, approx 60-65% area is covered for wheat sowing in Uttar Pradesh and acreage under wheat in 2014-15 is up by around 21% from same period last year of area.

Wheat stock in govt.'s granary on 01st November was recorded at 30.13 million tonne against 32.26 million tonne on 1st October, 2014. India needs 8.2 million tonne wheat as buffer stock and 3 million tonne as strategic reserve as on 1st January, 2014.Actual holding with govt. is at comfortable stage and supply side would be ample throughout the season.

According to IBIS (provisional data), export of wheat in the month of November was 0.22 Lakh tones which is around 66% less than last year at the same month, which was 0.65 Lakh tones in 2013.The reason behind the lower export is attributed to disparity from other exporting countries like U.S.A., Russia and Ukraine and high domestic prices.

Indian wheat Fob prices have fallen down to be competitive in the international market. Australia Fob is in the range of $260-265 and USA fob is also increasing due to weather concerns. If Indian wheat fob (which is in the range of $265-270) may decline more it might get the better export opportunity in near term.

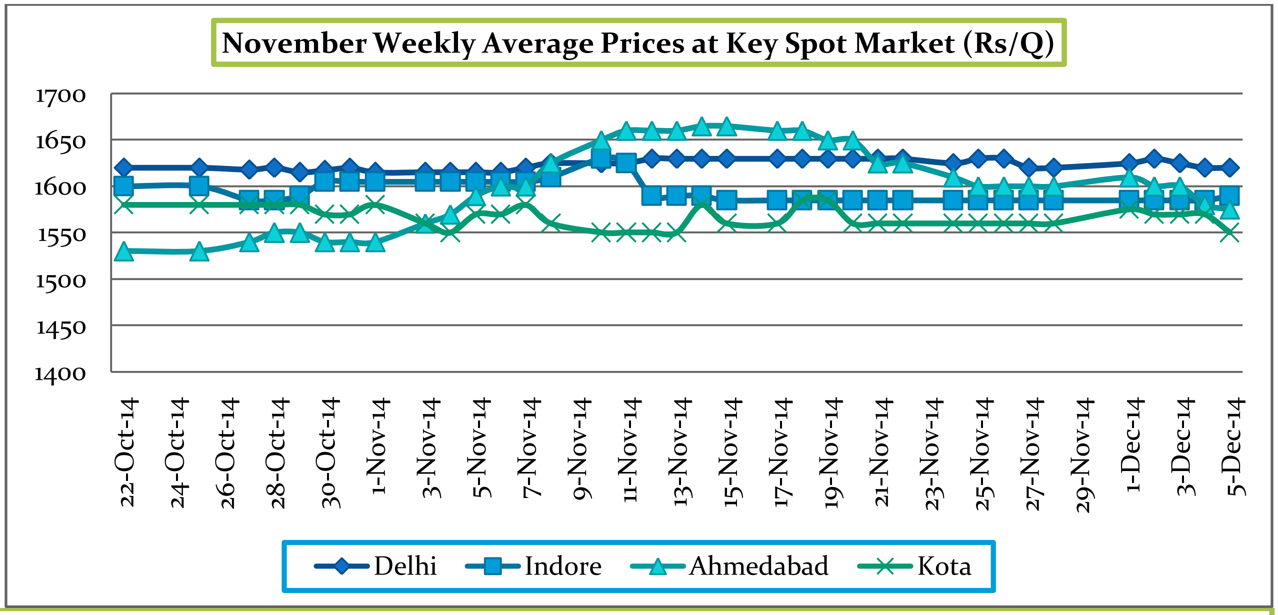
As of now Wheat area has slightly increased by 2% in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 161.57 lakh hectares against corresponding period of 2013-14(159.11 lakh hectares).

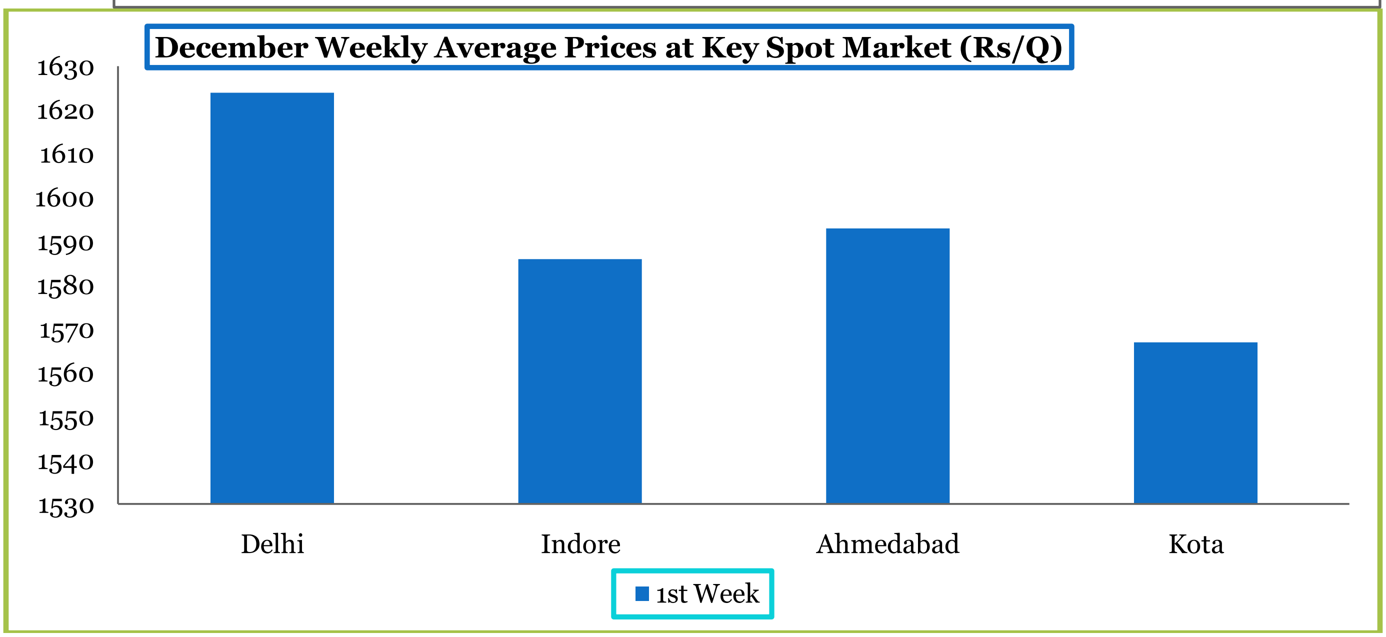
Sowing of wheat in Rajkot region of Gujarat is almost 15% completed, wheat area in this region may decrease as compare to last year due to lack of water availability and less rain. Wheat area may go to dhaniya or zeera as farmers are getting good prices for these commodities and they need less water as well.

Early sown wheat crop in Punjab Haryana UP Rajasthan and Gujarat is under tile ring stage and germination is set to be over 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.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at a few places over peninsular India and at isolated places over Maharashtra, Madhya Pradesh, Vidarbha and northeastern states on 13th and 14th.
- Rain/thundershowers would occur at a few places over Andaman & Nicobar Islands on 12th & 13th and increase thereafter.
- A fresh western disturbance would affect western Himalayan region from 12th and plains of northwest India from 13th onwards.
- Weather would be dry over rest of the country.





STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.11.2014:	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)

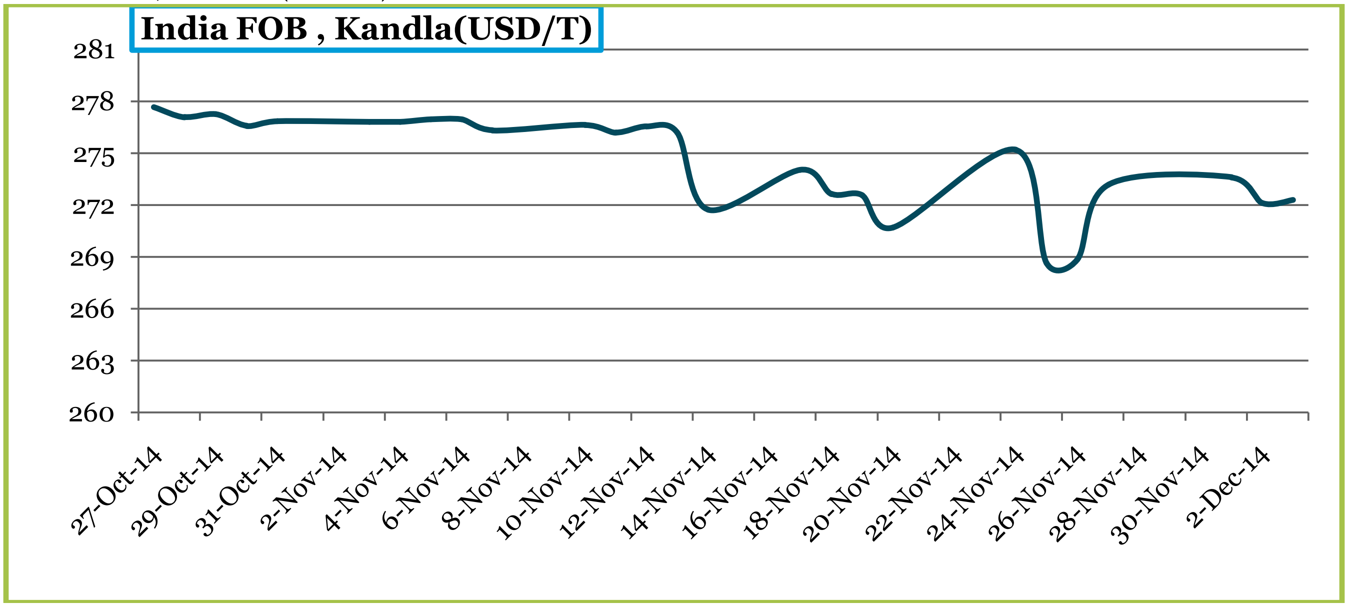
FOB Value as on 05.12.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	14750	14700	14900	15600	15200	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)	15950	16350	17300	17550	17250	15700	19100
Indian FOB (USD/MT)	**257.88**	**264.35**	**279.71**	**283.75**	**278.90**	**253.84**	**308.81**
Insurance @ 0.1%	0.26	0.26	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)	276	282	298	302	297	272	327
INR	61.85	61.85	61.85	61.85	61.85	61.85	61.85
Russian Wheat FOB (USD/MT)	**292**	**292**	**292**	**292**	**292**	**292**	**292**
Parity on FOB Basis (USD/MT)	**34**	**28**	**12**	**8**	**13**	**38**	**-17**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	04 Dec, 2014	week ago 25 Nov, 2014	Month ago 03 Nov 14	Year ago 03 Dec 2013	Change over previous Year %
Indore	1590	1588	1610	1695	**-6.19**
Bareilly	1556	1551	1550	1740	**-10.57**
Delhi	1626	1635	1621	1656	**-1.81**
Khanna	NA	NA	NA	1784	**NA**
Kanpur	1498	1503	1525	1670	**-10.30**
Karnal	NA	NA	NA	1590	**NA**
Rajkot	1590	1618	1568	1710	**-7.02**
Kota	1597	1600	1600	1740	**-8.22**

India FOB, Kandla (USD/T)



Wheat Export Weekly Data:

Weekly Export (17 Nov-23 Nov-14)	Quantity in Mt	FoB ($/Tn)
Total	16271.00	283.97
UAE	15000.00	261.28
Philippines	643.00	282.32

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05.12.2014	**28.11.2014**	
Delhi	**Lawrence Road**	**Mill Delivery**	1620	1620	**Unch**
	Nazafgarh	**Mill Delivery Loose**	1525	1550	**-25**
	Narella	**Mill Delivery Loose**	1570	1580	**-10**
Gujarat	**Rajkot**	**Mill Delivery**	1575	1600	**-25**
	Ahmedabad	**Mill Delivery**	1670	1700	**-30**
M.P.	**Bhopal**	**Mill Quality Loose**	1460	1450	**10**
	Indore	**Mill Delivery**	1590	1585	**5**
Rajasthan	**Kota**	**Mill Quality**	1470	1480	**-10**
U.P.	**Kosi**	**Mill Quality Loose**	1520	1480	**40**
Punjab	**Khanna**	**Mill Quality Loose**	1460	1480	**-20**
Haryana	**Sirsa**	**Mill Delivery loose**	1500	1500	**Unch**

Commodity: **Wheat** | Exchange: **NCDEX**
Contract: **Dec** | Expiry: 19th Dec, 2014

Wheat (Weekly Chart)

Technical Commentary:

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

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	Dec	1605	1620	1655	1675	1700
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	Dec	**Buy**	1650	1660	1665	1644

*Do not carry forward the position until the next Week.

Domestic Weekly Outlook: **Market is bound to stay range bound during the week.**

International Market Updates:

Egypt had purchased 175000 tonnes of wheat from Romania & Ukraine at an average price of $271.24/tonne CiF which has to be delivered between 1-10 January. Till now from July 1st, Egypt has bought 2.425 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.

Russia government might introduce few new regulations to curb exports to make sure it has enough wheat for domestic use. Russia is a key wheat exporter to North Africa and the Middle East. Russia exports increased due to bumper production and fall in the value of the rouble currency.

Australia in its latest report reduced its wheat production forecast by 4% from 24.23 million tonnes to 23.22 million tones. The main reason behind reduced production is unfavorable weather condition as all of the Australian east coast and South Australia received less than half the average amounts of rainfall over the last three months. The reduced production estimate of Australia, Russia restrictions on grain exports and concerns over U.S. wheat production may further increase global wheat prices.

Australia wheat export in the 2014/15 season got off to a slow start as dry weather made farmers unwilling to release supplies and exporters also had to contend with cheaper supplies from the United States. But with concerns over potential disruption to production due to unfavorable weather across the United States and the Black Sea region, Australian supplies are now competitive against other origins.

The International Grains Council slightly lowered its forecast for global wheat production in 2014/15 to 717 million tonnes, up from a previous forecast of 718 million. Unfavorable weather condition across the United State and the Black Sea region is the main reason for decrease in production estimate.

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.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13.	2013-14 Est	Forecast for 2014-15	
						30.10.2014	27.11.2014
Production	679	653	695	655	713	718	717
Trade	128	126	145	141	155	149	150
Consumptions	652	657	698	677	695	710	712
Carryover stocks	199	194	191	169	187	193	193
Y-O-Y change	27	-4	-2	-22	18	8	6
Major Export	79	73	68	48	52	60	59

Indicative FOB Quotes:

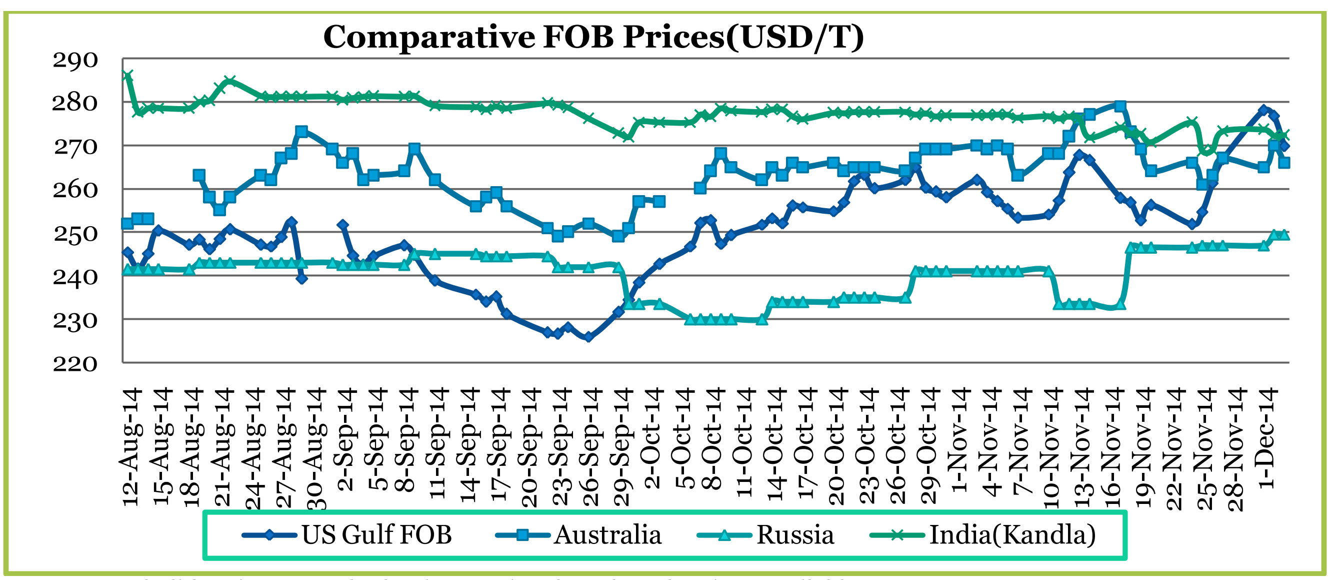
All prices are for SRW /milling grade, comparable to Indian quality	1st Aug 14	2nd Sept 14	01st Oct 14	03rd Nov 14
USA	244.00	251.70	238.40	262.00
France	238.88	232.27	202.52	217.23
United Kingdom	NA	NA	NA	NA
Australia	252.00	266.00	257.00	270.00
Russia	241.50	242.50	233.50	241.00
India	283.86	280.48	275.30	276.83

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 03.12.14 (USD/T)							
CONTRACT MONTH	**03 Dec 14**	**Week ago (25 Nov 2014)**	**1 Month ago(03 Nov 14)**	**3 Month ago(03 Sept 14)**	**6 Month ago(03 June 14)**	**1 Year ago(03 Dec 13)**	**% Change over previous year**
14-Dec	219.34	202.62	197.75	196.83	237.06	251.67	**-12.85**
15-Mar	216.58	204.92	202.35	204.46	243.68	253.87	**-14.69**
15-May	218.69	207.49	204.73	209.33	210.34	253.41	**-13.70**
15-Jul	220.07	209.42	206.94	212.36	249.10	250.75	**-12.23**
15-Sep	222.55	212.27	210.70	216.21	252.13	252.86	**-11.99**
15-Dec	226.41	216.58	215.57	222.09	255.71	256.90	**-11.87**

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, widespread showers (5-25 mm, locally more) slowed wheat harvesting, and may have raised some concerns about crop quality in the south. In contrast, dry weather covered major agricultural areas in South Australia and northwestern Victoria, allowing winter crop harvesting to proceed without delay. Rain (5-25 mm or more) in eastern Victoria and southern New South Wales likely stalled fieldwork, including winter grain and. Similarly, widespread showers (5-25 mm, locally more) in northern New South Wales and southern Queensland disrupted fieldwork, but the rain had little impact on winter crop harvesting, which was reportedly nearing completion. The rainfall in eastern Australia was overall beneficial for agriculture, providing a needed boost in topsoil moisture for summer crop germination, emergence, and establishment. The showers were accompanied by cooler weather as well. Hot weather at the beginning of the week stressed tender vegetation, with temperatures averaging 3 to 5°C above normal and maximum temperatures in the upper 30s to lower 40sdegrees C. By mid-week, more seasonable temperatures overspread the area, helping ease the heat stress on vegetative summer crops.

Argentina- Widespread, locally heavy rain continued throughout the region, maintaining adequate to abundant levels of moisture for winter grains and newly-sown summer crops but sustaining local delays in fieldwork. The heaviest rainfall(locally approaching 100 mm) was concentrated over the northeast (northern Santa Fe and eastern sections of Chaco and Formosa), with lighter amounts (5-25mm) in the more western growing areas (notably Santiagodel Estero and Salta). In central Argentina, showers were widely scattered, resulting in variable amounts of rainfall; mostly dry weather in the lower Parana River Valley (northern Buenos Aires and southern sections of Santa Fe and Entre Rios) but heavy rain developed at week's end, ending a favorable period for fieldwork. Weekly temperatures averaged near to slightly above normal, with daytime highs ranging from the middle20s and lower 30s (degrees C) in Buenos Aires to the middle 30s farther north, though temperatures were generally lower on the rainy days.

Russia and Ukraine: Cold, snowy weather maintained favorable conditions for dormant winter grains. Across key southern winter wheat areas of Russia and Ukraine, temperatures averaged 5°C or less, indicating crops were becoming or already dormant. In addition, fresh snowfall (5-20 cm) by week's end afforded winter wheat insulation against potential incursions of bitter cold. Farther north, winter grains were also dormant from Belarus and northern Ukraine into central Russia, though crops in these areas were poorly established following an unfavorably dry autumn. In addition, areas along the border between Russia's Volga, Southern, and Central Districts remained devoid of snow cover, exposing winter crops to this past week's bitter cold (-20 to -15°C).

International Weekly Outlook: With ample global wheat surplus in international wheat market, price would continue to trade under pressure in the month of December. As per latest IGC estimate update global wheat production may touch 717 MMT this year. With recent weather concern in wheat area in Black Sea Region, Australia, and US there has been a rise in price in International market. Russia may introduce new regulations to curb wheat export to make sure it has enough wheat for domestic use.