Domestic Market Updates:

Wheat sowing in lower land in Bihar is running smoothly while 80 percent sowing in upper land is complete now. The early sowed crop has entered in sprouting stage and farmers are engaged in second irrigation and applying fertilizers to it. The crop condition is good and decreasing temperature in major growing belt is considered beneficial to all wheat crops either in till ring or sprouting stages .Area is likely to increase slightly this year under wheat as harvesting of paddy crop in upper and lower land finished 10 to 15 days earlier. One-two shower of light winter rains expected by next week may ensure better growth of the standing crop. Over all condition of wheat crop throughout the state is satisfactory so far.

According to latest report of USDA, Wheat production of India may reach to 95.5 MMT. The cause for the US agency's optimism is unknown since sowing of wheat is trailing this year. The area is down despite Rs 50 hike in the minimum support price for wheat at Rs 1450 per quintal this year.

As of now Wheat area has slightly decreased by around 4% in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 241.91 lakh hectares against corresponding period of 2013-14(251.32 lakh hectares).

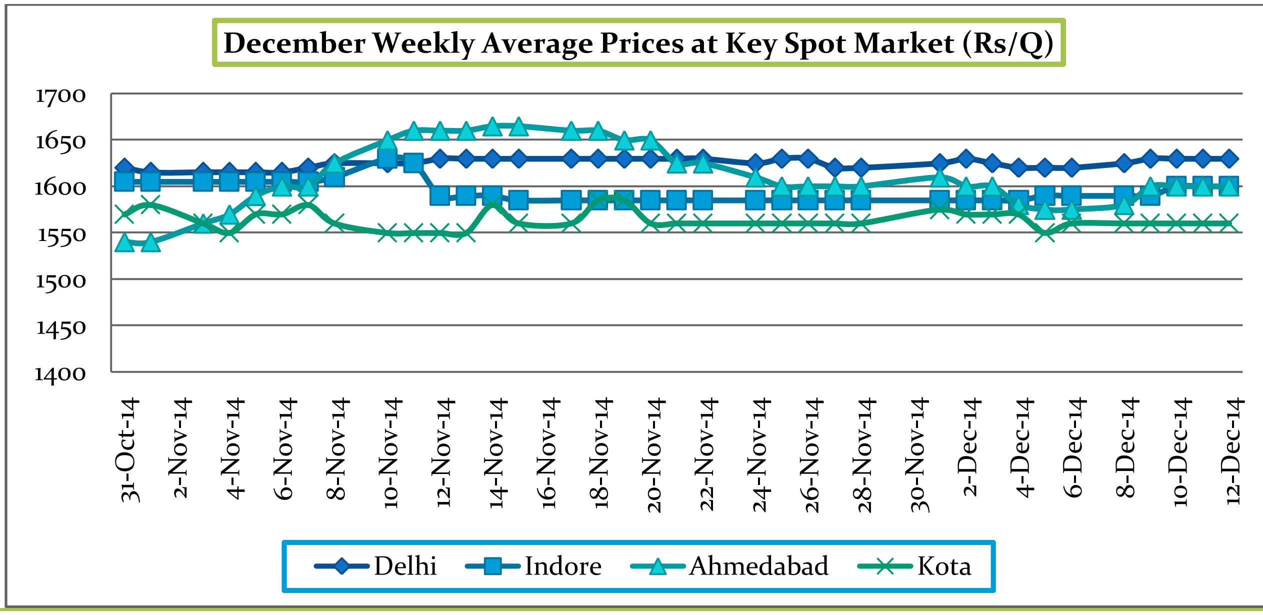
Ministry of Consumer Affairs, Food & Public Distribution has taken the decision (effective for kharif 2014-15 and rabi 2015-16) clearly denotes that if any state govt. announces bonus over and above MSP, the center govt will limit procurement according to requirements of food grains for TPDS/OWS. The same is applicable in DCP states too where states procure foodgrains on behalf of central govt.If the states procure more than fixed quantity, they will not only have to bear the burden of additional expenses but also be responsible for the disposal of the surplus quantity.For non DCP states FCI will not take part in procurement oppression if the concerned states decide to offer bonus over and above MSP. The concerned states will be fully responsible to handle the entire procurement oppression including movement and storage and mobilization of resources.

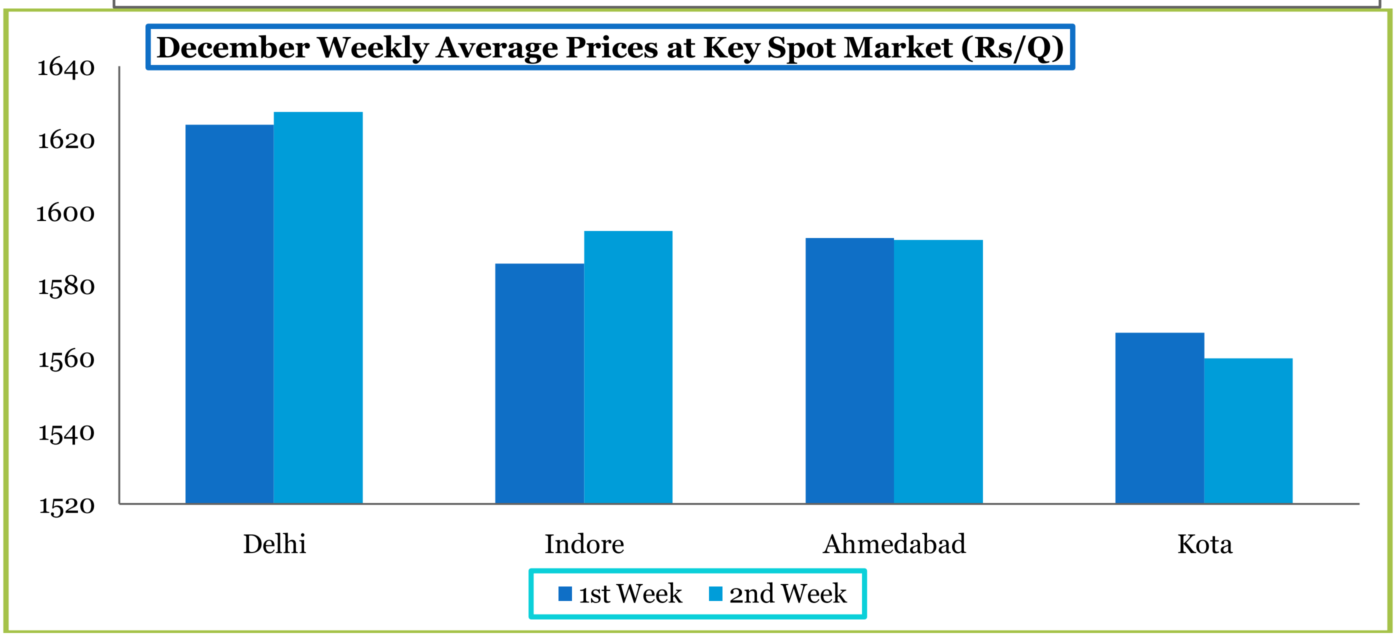
The immediate impact of the decision will be lower procurement by DCP states as no state would like to bear the additional burden and expenses of the surplus procurement. By applying this decision central govt too would ensure to avoid unnecessary burden of unlimited procurement. Besides, it will ensure higher supply of grains in open market and stability in the market to some extent.

According to IBIS, export of wheat in the first week of December (01-07 Dec) was around 23 Thousand Mt. The major export destination of Indian wheat was Turkey from Kandla port which accounted 22 thousand MT at an average FOB price of $352.92/Tn .Other countries were Philippines and UAE.

Weather Watch: (Source-IMD)

- Fall in minimum temperature by 3-5°C over parts of northwest and central India, Gujarat state and Maharashtra during next 72 hours and by 2-3°C over east India from 16th December.
- Fog would occur at some places over Punjab, Haryana & Delhi, Rajasthan, Madhya Pradesh, U ttar Pradeshand Bihar, and at isolated places over Nagaland, Manipur, Mizoram & Tripura dur ing next 48 hours.
- Cold wave conditions would prevail over some parts of Gujarat state during next 48 hours.





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)

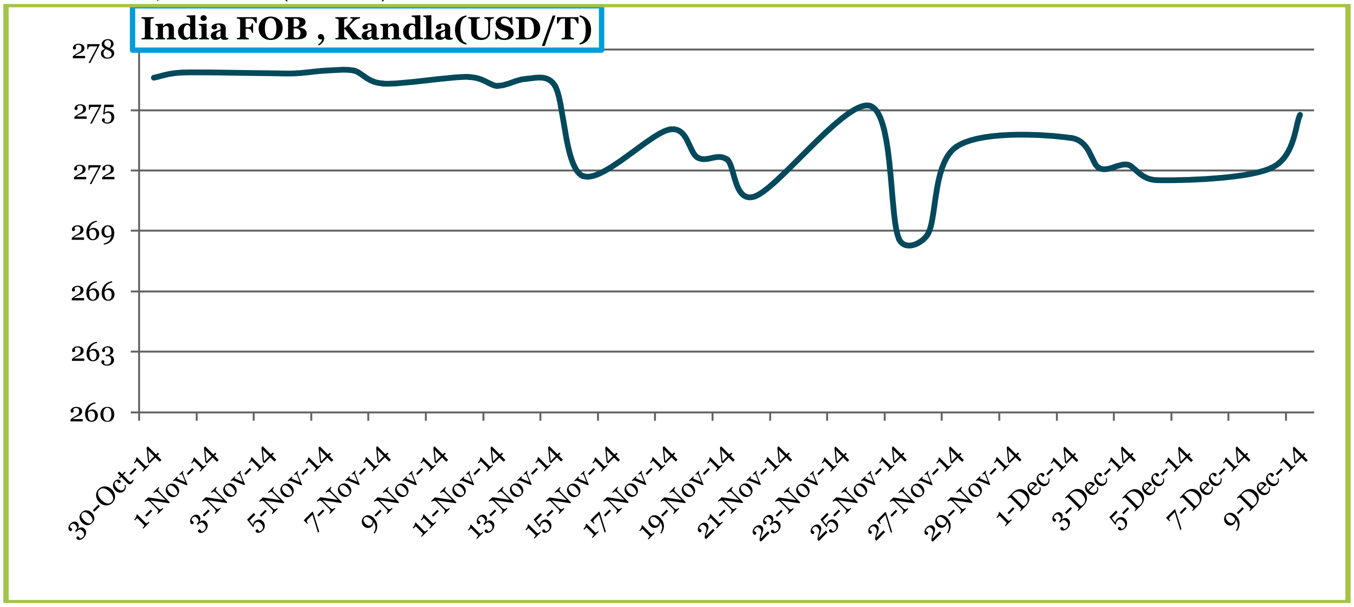
FOB Value as on 12.12.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15000	14750	15000	15750	15300	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)	16200	16400	17400	17700	17350	15700	19100
Indian FOB (USD/MT)	**259.45**	**262.65**	**278.67**	**283.47**	**277.87**	**251.44**	**305.89**
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)	277	281	297	301	296	269	324
INR	62.44	62.44	62.44	62.44	62.44	62.44	62.44
Russian Wheat FOB (USD/MT)	**292**	**292**	**292**	**292**	**292**	**292**	**292**
Parity on FOB Basis (USD/MT)	**33**	**29**	**13**	**9**	**14**	**41**	**-14**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	12 Dec, 2014	week ago 03 Dec, 2014	Month ago 10 Nov 14	Year ago 10 Dec 2013	Change over previous Year %
Indore	1600	1575	1588	1763	**-9.25**
Bareilly	1565	1556	1558	1750	**-10.57**
Delhi	1630	1626	1630	1638	**-0.49**
Khanna	NA	NA	NA	1778	**NA**
Kanpur	1518	1495	1515	1710	**-11.23**
Karnal	NA	NA	NA	1600	**NA**
Rajkot	1599	1600	1580	1710	**-6.49**
Kota	1596	1590	1590	1735	**-8.01**

India FOB, Kandla (USD/T)



Wheat Export Weekly Data:

Weekly Export (01 Dec-07 Dec-14)	Quantity in Mt	FoB ($/Tn)
Total	23457.00	315.30
Turkey	22000.00	352.92
UAE	488.00	279.26

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

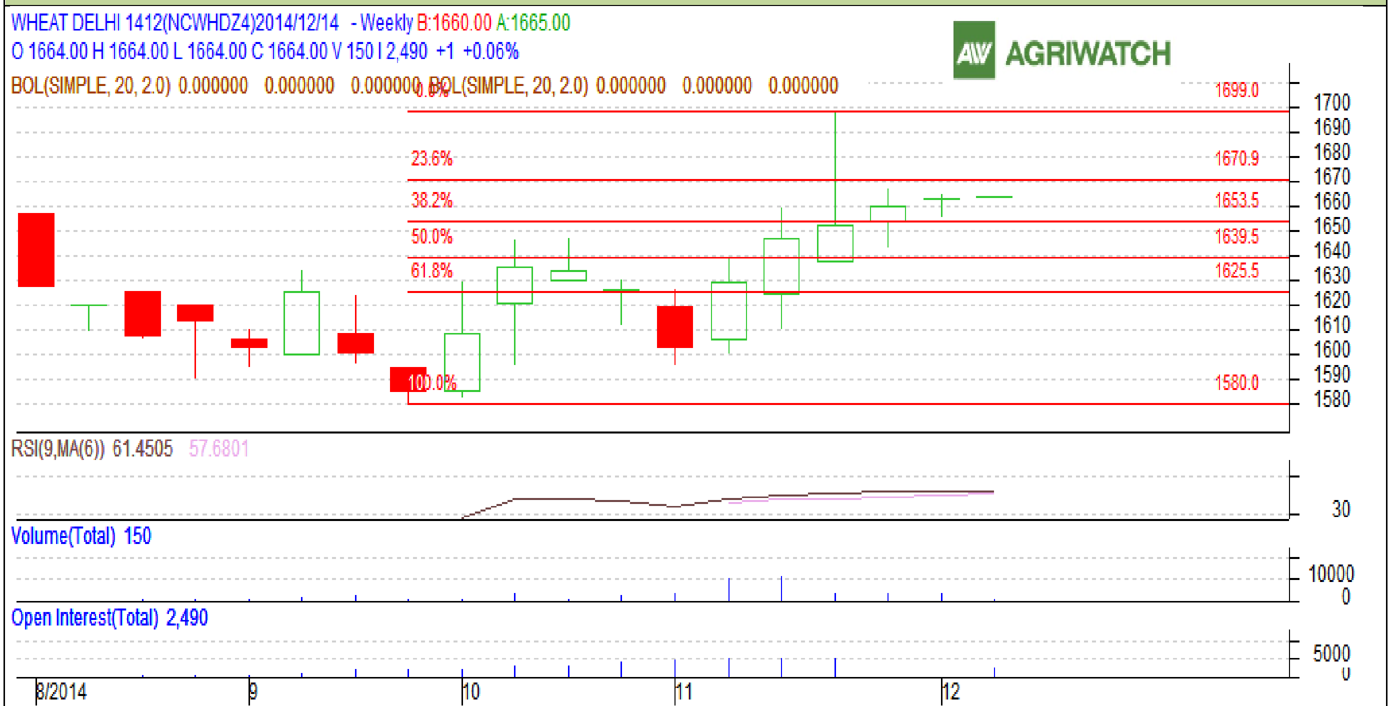
Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12.12.2014	**05.12.2014**	
Delhi	**Lawrence Road**	**Mill Delivery**	1630	1620	**10**
	Nazafgarh	**Mill Delivery Loose**	1540	1525	**15**
	Narella	**Mill Delivery Loose**	1575	1570	**5**
Gujarat	**Rajkot**	**Mill Delivery**	1600	1575	**25**
	Ahmedabad	**Mill Delivery**	1690	1670	**20**
M.P.	**Bhopal**	**Mill Quality Loose**	1525	1500	**25**
	Indore	**Mill Delivery**	1600	1590	**10**
Rajasthan	**Kota**	**Mill Quality**	1475	1470	**5**
U.P.	**Kosi**	**Mill Quality Loose**	1530	1520	**10**
Punjab	**Khanna**	**Mill Quality Loose**	1450	1460	**-10**
Haryana	**Sirsa**	**Mill Delivery loose**	1490	1500	**-10**

Commodity: Wheat **Exchange: NCDEX**

Contract: Dec **Expiry: 19th Dec, 2014**

Wheat (Weekly Chart)



Technical Commentary:

- Candle stick chart depicts upward movement in the market.
- Rise 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	1625	1640	1663	1700	1715
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	Dec	**Buy**	1660	1670	1675	1654

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

Domestic Weekly Outlook: **Market is bound to stay range bound during the week as supply side is sufficient for demand.**

International Market Updates:

The U.S. Department of Agriculture on their latest report raised its forecast for global wheat production with an increase in the Canada and Kazakhstan crop more than offset by cuts by global beginning stock.

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.

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	2nd Sept 14	01st Oct 14	03rd Nov 14	03rd Dec 14
USA	251.70	238.40	262.00	269.80
France	232.27	202.52	217.23	229.10
United Kingdom	NA	NA	NA	NA
Australia	266.00	257.00	270.00	266.00
Russia	242.50	233.50	241.00	249.50
India	280.48	275.30	276.83	272.30

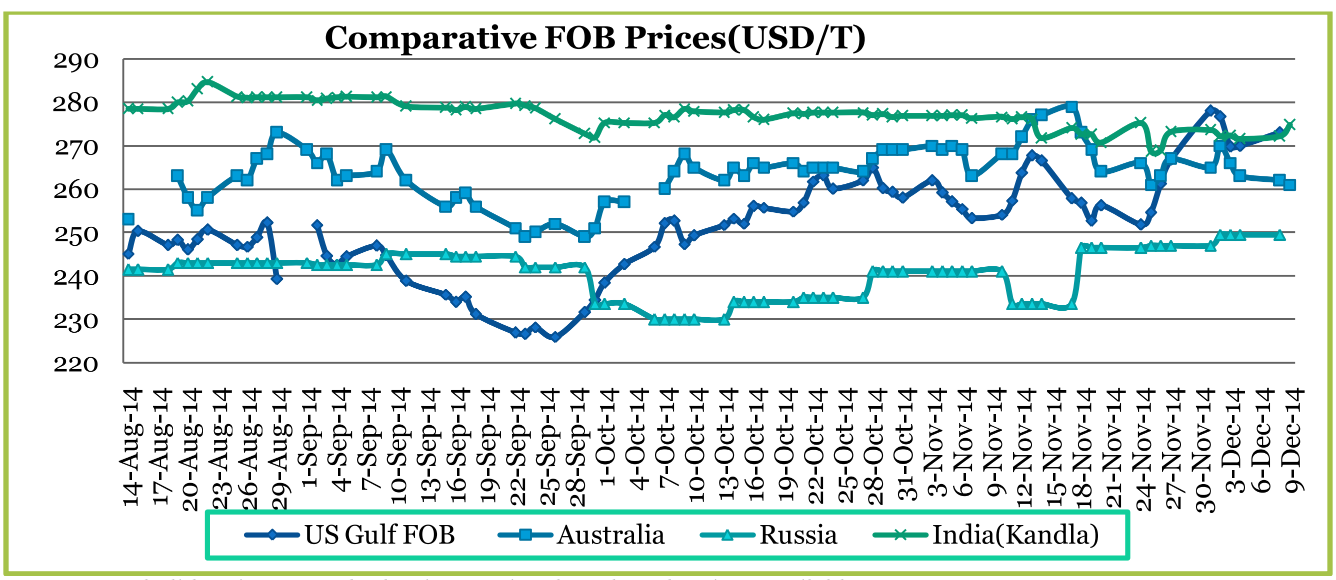
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 11.12.14 (USD/T)

CONTRACT MONTH	11 Dec 14	Week ago (03 Dec 2014)	1 Month ago(10 Nov 14)	3 Month ago(10 Sept 14)	6 Month ago(10 June 14)	1 Year ago(10 Dec 13)	% Change over previous year
14-Dec	224.21	219.34	190.04	190.96	234.03	244.05	-8.13
15-Mar	219.52	216.58	193.71	196.93	241.75	246.43	-10.92
15-May	220.53	218.69	196.56	201.15	246.53	246.80	-10.64
15-Jul	220.99	220.07	198.95	204.92	248.64	245.70	-10.06
15-Sep	224.11	222.55	202.44	209.14	251.67	247.54	-9.46
15-Dec	228.61	226.41	207.31	214.65	256.17	250.75	-8.83

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 the wake of last week's showers, seasonably warm, mostly dry weather overspread Western Australia, helping winter crop harvesting regain momentum. Mostly dry weather persisted in South Australia and extreme northern Victoria, allowing wheat harvesting to maintain pace. Elsewhere in the wheat belt, widespread showers (10-50 mm, locally more) fell across southern and eastern Victoria, New South Wales, and southern Queensland. The rain slowed or halted fieldwork in many areas but was overall beneficial, providing a welcome boost in topsoil moisture for vegetative summer crops. Winter crop harvesting is reportedly nearing completion in northern New South Wales and Queensland, but Harvesting continues in southeastern Australia, where the rain likely raised some concerns about crop quality. Mid-week heat caused weekly temperatures to average about 1 to 4°Cabove normal in southern and eastern Australia. On most days, however, maximum temperatures were in the upper 20sto middle 30s degrees C.

Argentina- Rain intensified in eastern farming areas, maintaining abundant levels of moisture for summer crop development but slowing the rate of fieldwork for later plantings. Rainfall exceeded 50 mm over a broad area stretching from central Buenos Aires to the northeast, extending eastward into Uruguay; amounts in excess of 100 mm were concentrated over northern Buenos Aires and sections of the northeast (eastern Entre Rios to Misiones). In contrast, drier conditions returned to La Pampa, following last week's rain. Farther north, light to moderate showers (10-25 mm, locally higher) lingered over Cordoba and Santa Fe early in the week; otherwise dry weather dominated much of the northwest. Weekly temperatures averaged near to slightly above normal in central and northwestern Argentina and slightly cooler than normal in the northeast. However, mild, showery weather at the start of the week gave way to dry, much warmer weather at week's end; daytime highs rose into the upper 30s (degrees C) as far south as La Pampa, with highs briefly reaching the lower 40s in the northwest. While fostering high evaporative losses in western and northwestern agricultural areas, the drying in eastern production areas helped to dry fields for future fieldwork. According to Argentina's Ministry of Agriculture, winter wheat was 51 percent harvested versus 47 percent last year.

Russia and Ukraine: Cold, snowy weather maintained favorable conditions for dormant winter grains. Across primary southern winter wheat areas of Russia and Ukraine, temperatures averaged 5 to 9°C below normal, with nighttime lows dropping below -20°C in the coldest locales. However, a moderate snowpack (5-15 cm) insulated dormant winter wheat from freeze damage, and a fresh snowfall (2-20 mm liquid equivalent) boosted moisture reserves and insulation from eastern Ukraine into southwestern Russia during the period. Farther north, areas along the border between Russia's Volga, Southern, and Central Districts may have experienced some burn back or freeze damage, as a shallow snow cover (2-5 cm) likely left some winter crops exposed to temperatures as low as -23°C.

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.