Domestic Market Updates:

With decreasing temperature and almost favorable weather in major wheat growing areas wheat production is likely to improve this year despite lower sowed area in major states like Madhya Pradesh and Uttrakhand. Overall wheat area till 19th December, 2014 lags behind by around 2 percent. Area under wheat crop has been registered at 268.26 lakh ha against 273.12 lakh ha in the second week of December.

Lower wheat area coverage in Madhya Pradesh has been the major cause of concern at this point of time and sowing has entered in the last phase here. So it would be very difficult to get recovery in overall wheat area in this state. Area under wheat in the state has been registered at 41.42 lakh ha against 48.89 lakh ha last year, almost 15 percent lower than last year. However, area under wheat in Rajasthan has increased by 5 percent till 12 December. It is likely to compensate loss in Madhya Pradesh to some extent. Wheat area in Rajasthan has been 25 lakh ha till 12 December. In other states progressive sowing is normal and crop condition is good to satisfactory till now.

Wheat prices remain steady to firm due to lean season factors and short supply of high grade wheat from government and private ends. Farmers are also engaged in sowing of wheat as weather condition is favorable for better crop production.

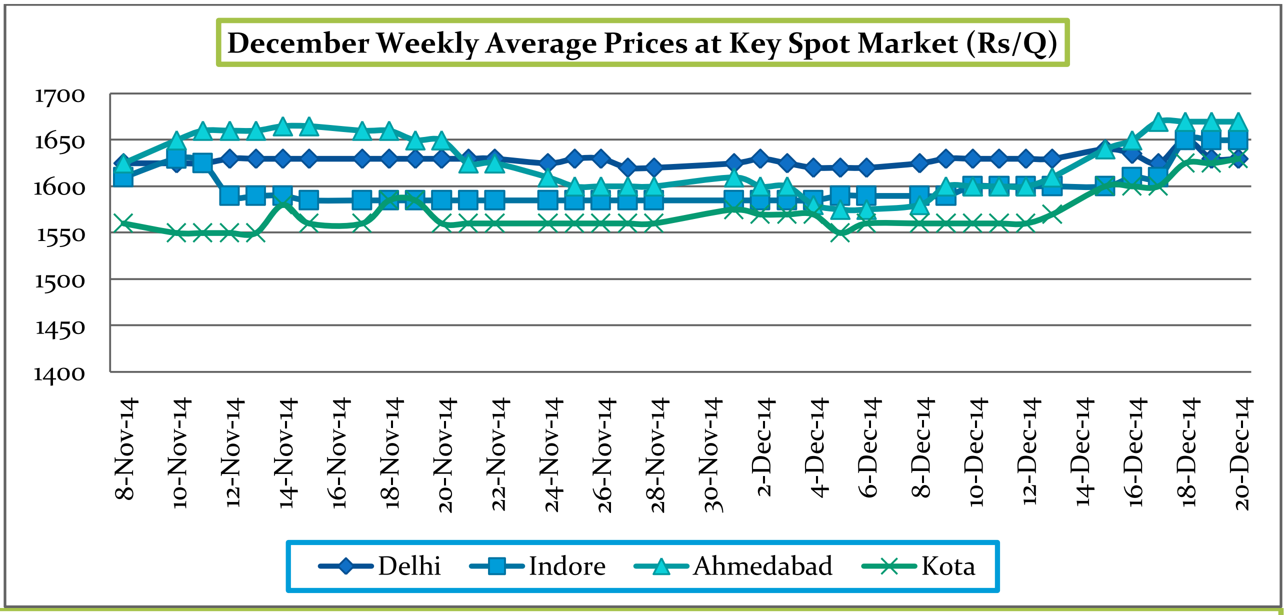
According to IBIS, export of wheat in the second week of December (08-14 Dec) was around .49 Thousand Mt. The major export destination of Indian wheat was UAE from Mundra port which accounted .12 thousand MT at an average FOB price of $363.01/Tn .Other countries were Jordan and Malaysia.

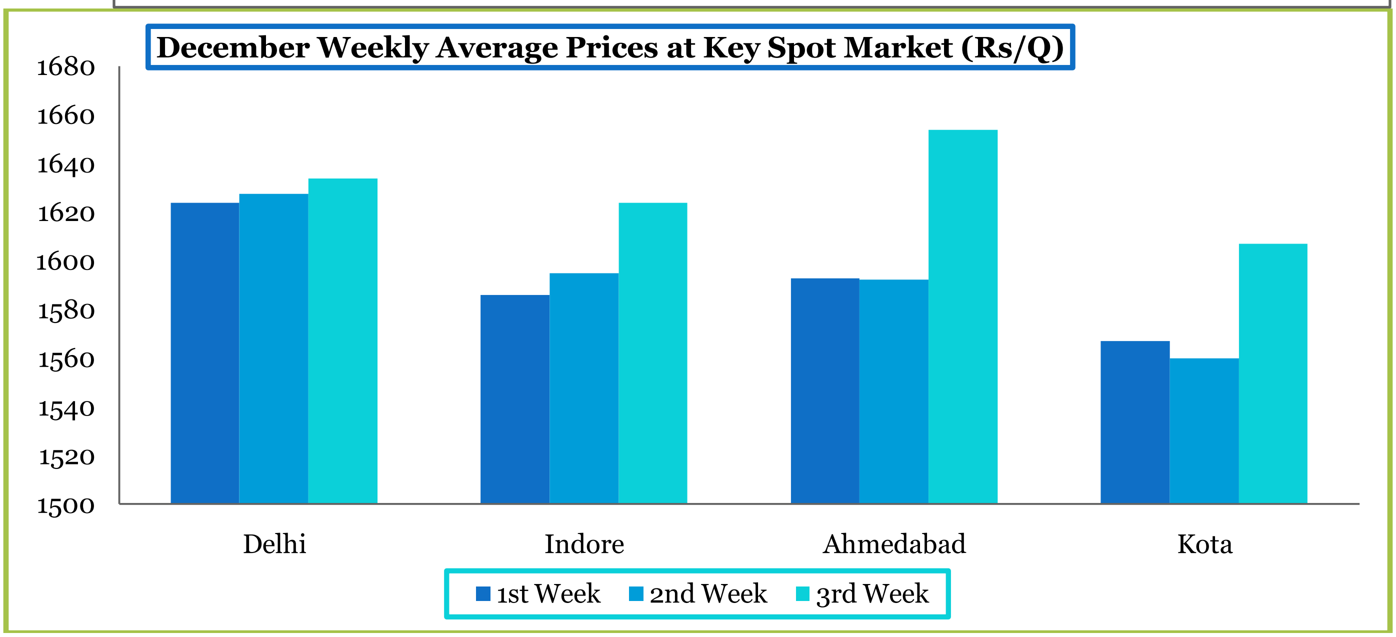
Wheat stock in govt.'s granary on 01st December was recorded at 27.20 million tonne against 30.13 million tonne on 1st November, 2014. India needs 8.2 million tonne wheat as buffer stock and 3 million tonne as strategic reserve as on 1st January, 2014.Actual holding with govt. is at comfortable stage and supply side would be ample throughout the season.

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.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at a few places over Andaman & Nicobar Islands and at isol ated places over south peninsular India and Lakshadweep.
- Slight fall in night temperatures over northwest India from 24th onwards.
- Weather would be dry over rest of the country.





STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.12.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.12	0.00	8.12
NORTH EAST ZONE	0.69	0.00	0.69
NORTH ZONE	98.89	91.81	190.70
SOUTH ZONE	6.73	0.00	6.73
WEST ZONE	15.07	50.77	65.84
TOTAL	**129.50**	**142.58**	**272.08**

(Figures in Lakh Tonnes)

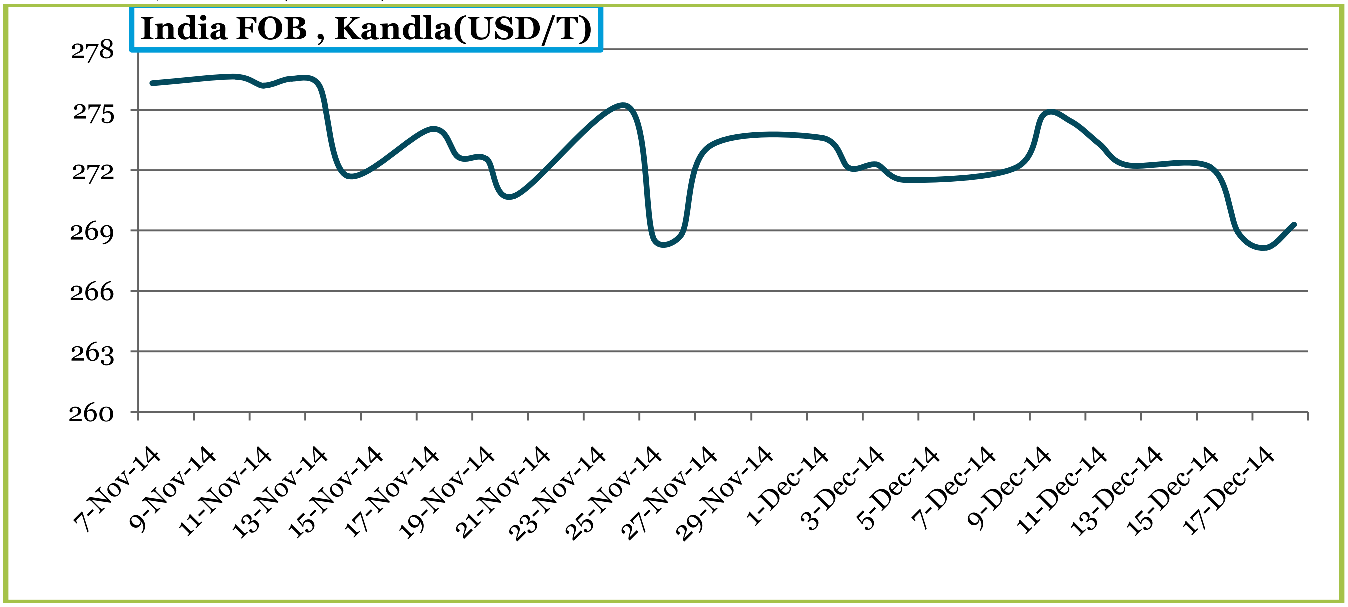
FOB Value as on 12.12.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15900	15550	15250	16000	16000	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)	17100	17200	17650	17950	18050	15700	19100
Indian FOB (USD/MT)	**271.17**	**272.76**	**279.89**	**284.65**	**286.24**	**248.97**	**302.89**
Insurance @ 0.1%	0.27	0.27	0.28	0.28	0.29	0.25	0.30
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	289	291	298	303	304	267	321
INR	63.06	63.06	63.06	63.06	63.06	63.06	63.06
Russian Wheat FOB (USD/MT)	**292**	**292**	**292**	**292**	**292**	**292**	**292**
Parity on FOB Basis (USD/MT)	**21**	**19**	**12**	**7**	**6**	**43**	**-11**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	19 Dec, 2014	week ago 09 Dec, 2014	Month ago 18 Nov 14	Year ago 26 Dec 2013	Change over previous Year %
Indore	1630	1600	1598	1688	**-3.44**
Bareilly	1565	1560	1558	1740	**-10.06**
Delhi	1664	1630	1635	1660	**0.24**
Khanna	NA	NA	NA	1748	**NA**
Kanpur	1536	1213	1500	1668	**-7.91**
Karnal	NA	NA	NA	1575	**NA**
Rajkot	1640	1600	1635	1704	**-3.76**
Kota	1633	1595	1595	1701	**-4.00**

India FOB, Kandla (USD/T)



<u>Wheat Export Weekly Data:</u>

Weekly Export (08 Dec-14 Dec-14)	Quantity in Mt	FoB ($/Tn)
Total	498.00	294.40
UAE	126.00	263.01
Jordan	125.00	322.60

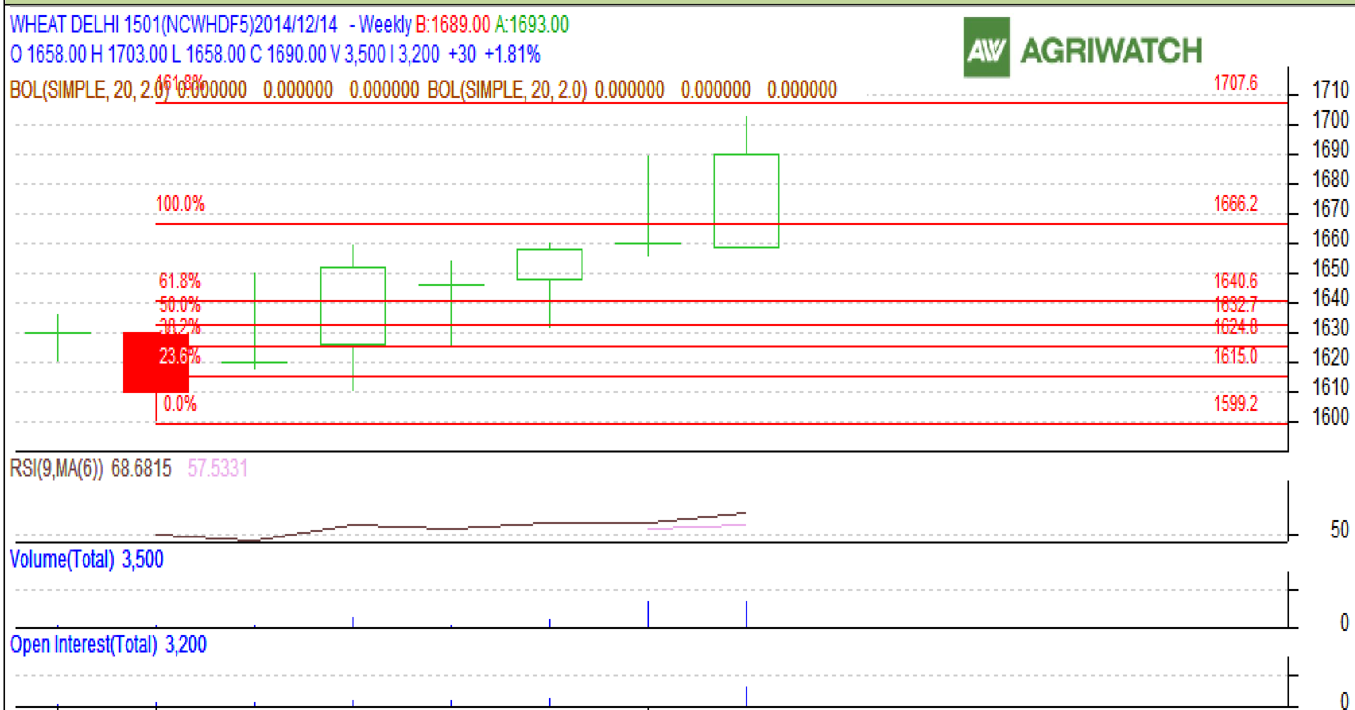
***Provisional Data (As per IBIS)**

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			20.12.2014	**12.12.2014**	
Delhi	**Lawrence Road**	**Mill Delivery**	1680	1630	**50**
	Nazafgarh	**Mill Delivery Loose**	1565	1540	**25**
	Narella	**Mill Delivery Loose**	1595	1575	**20**
Gujarat	**Rajkot**	**Mill Delivery**	1670	1600	**70**
	Ahmedabad	**Mill Delivery**	1730	1690	**40**
M.P.	**Bhopal**	**Mill Quality Loose**	1550	1525	**25**
	Indore	**Mill Delivery**	1650	1600	**50**
Rajasthan	**Kota**	**Mill Quality**	1555	1475	**80**
U.P.	**Kosi**	**Mill Quality Loose**	1600	1530	**70**
Punjab	**Khanna**	**Mill Quality Loose**	1450	1450	**Unch**
Haryana	**Sirsa**	**Mill Delivery loose**	1500	1490	**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 rise in O.I. indicates long buildup.
- RSI is in neutral zone.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	Dec	1625	1640	1690	1715	1730
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	Dec	**Buy**	1685	1695	1700	1679

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

Domestic Weekly Outlook: **Market is bound to stay steady to firm due to lean season factors.**

International Market Updates:

Olam International offers the lowest bid at $268.47 a tonne (CiF) among 5 bidders to sell 50,000 tonnes of wheat to Bangladesh. Wheat has to be shipped within 40 days after the approval of Bangladesh purchase committee. Bangladesh is planning to import 900,000 tonnes of wheat in the current fiscal year starting from July that includes 250,000 tonnes of Ukrainian wheat at $297.50 a tonne (CiF) and other port-related expenses in a government-to-government deal with Ukraine.

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 180000 tonnes of wheat from Russia & France at an average price of $262.92/tonne CiF which has to be delivered between 11-20 January. Till now from July 1st, Egypt has bought 2.605 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.

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

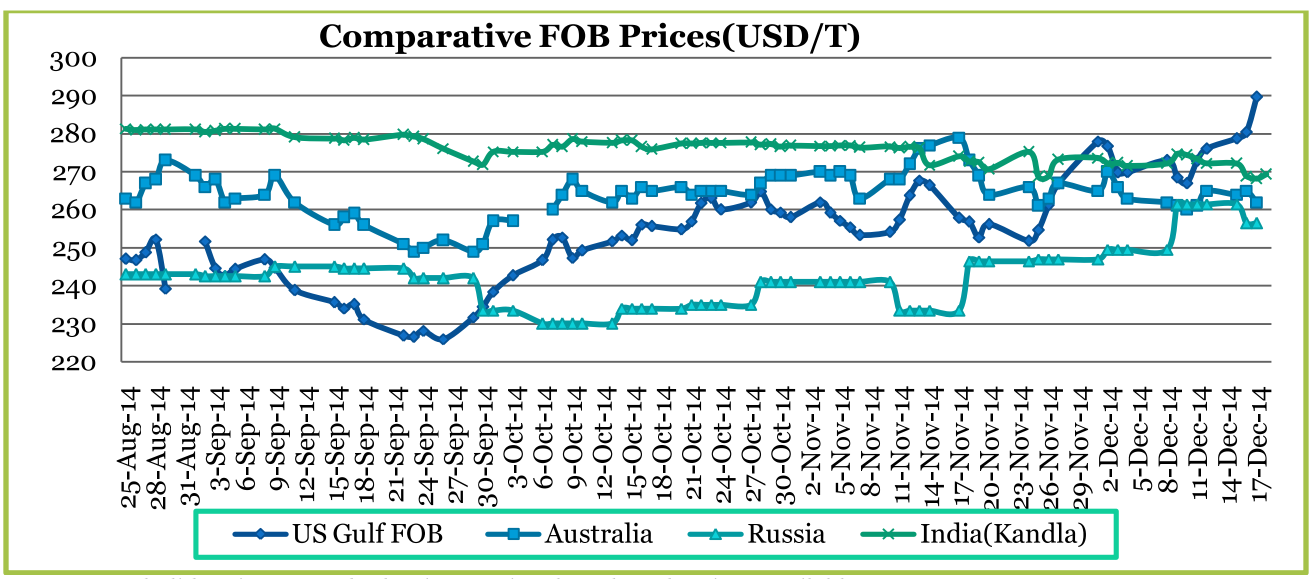
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 19.12.14 (USD/T)

CONTRACT MONTH	19 Dec 14	Week ago (09 Dec 2014)	1 Month ago(17 Nov 14)	3 Month ago(16 Sept 14)	6 Month ago(16 June 14)	1 Year ago(16 Dec 13)	% Change over previous year
15-Mar	232.29	215.20	203.45	188.38	231.19	242.39	**-4.17**
15-May	233.30	216.58	206.02	192.52	235.41	242.58	**-3.82**
15-Jul	233.02	217.59	208.50	195.82	237.43	239.91	**-2.87**
15-Sep	235.60	220.62	211.62	200.14	240.65	241.93	**-2.62**
15-Dec	239.09	224.48	215.76	206.11	245.33	246.07	**-2.84**
16-Mar	241.01	227.79	218.97	209.97	247.72	247.63	**-2.67**

CBOT Mar- 15 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 southern and eastern Australia, unseasonably hot, mostly dry weather during November promoted wheat maturation and harvesting. The heat and dryness were unfavorable for summer crops, increasing stress on vegetative crops and discouraging additional planting. In Western Australia, near-normal rainfall and temperatures allowed winter grain harvesting to proceed at a reasonable pace and helped maintain crop quality.

Argentina- During November, near- to above-normal rainfall increased moisture for, but the intensity of the rain in some areas caused localized flooding and disrupted seasonal fieldwork. The heaviest rainfall (monthly accumulations above 200 mm) occurred in the lower Parana River Valley (in and around northern Buenos Aires) and from northern Cordoba to eastern Formosa. In western areas —notably Cordoba — the rain was timely for corn and soybean planting, following extended periods of dryness. Monthly average temperatures were near to slightly above normal; highs occasionally approached 40°C in parts of the north, sustaining high evaporative losses.

Russia and Ukraine: During November, cold conditions further stressed poorly established winter grains in the north, while winter wheat in key southern growing areas entered dormancy under mostly favorable conditions. Autumn drought continued from Belarus and northern Ukraine into central Russia, with November precipitation totaling less than 50 percent of normal (locally less than 10 percent). The lack of moisture Coupled with an early onset of bitter cold (-20°C or lower) resulted in poorly established winter grains in more northerly growing areas. In addition, a lack of snow cover may have resulted in some burn back or winterkill during the coldest weather. In contrast, despite a dry November, winter crops in southern growing areas were properly established due to plentiful autumn rainfall. Therefore, winter wheat from southern Ukraine into southern portions of Russia entered dormancy under mostly favorable conditions and was better able to withstand the late-month bitter cold, despite a relatively shallow snowpack.

International Weekly Outlook: Global wheat market may trade steady to firm due to fear of Russia ban on wheat export. Market may test the first resistance level of 696 cent per bushel in the short term. We expect market to trade in the range of $220 to $260 per T.