Domestic Market Updates:

As of now Wheat area has slightly decreased by around 3% in comparison to last year till date .As per latest update by agriculture ministry wheat coverage during 2014-15 has been registered at 305.6 lakh hectares against corresponding period of 2013-14(313.69 lakh hectares).

The global wheat market gained in recent weeks considerably on the back of likely imposition of export tax by Russia from 1st February, 2015. Besides, weather concern also lent support to global wheat market in recent days. Prices moved from around $250 to $280 per tonne in last one month. Recent gains in global wheat market have provided export opportunity for India once again. However cheaper supply from EU and prevailing higher prices in domestic market remain a major constraint for Indian exporters.

Wheat stock in govt.'s granary on 15th January was recorded at 24.01 million tonne against 25.11 on 01st January. 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.

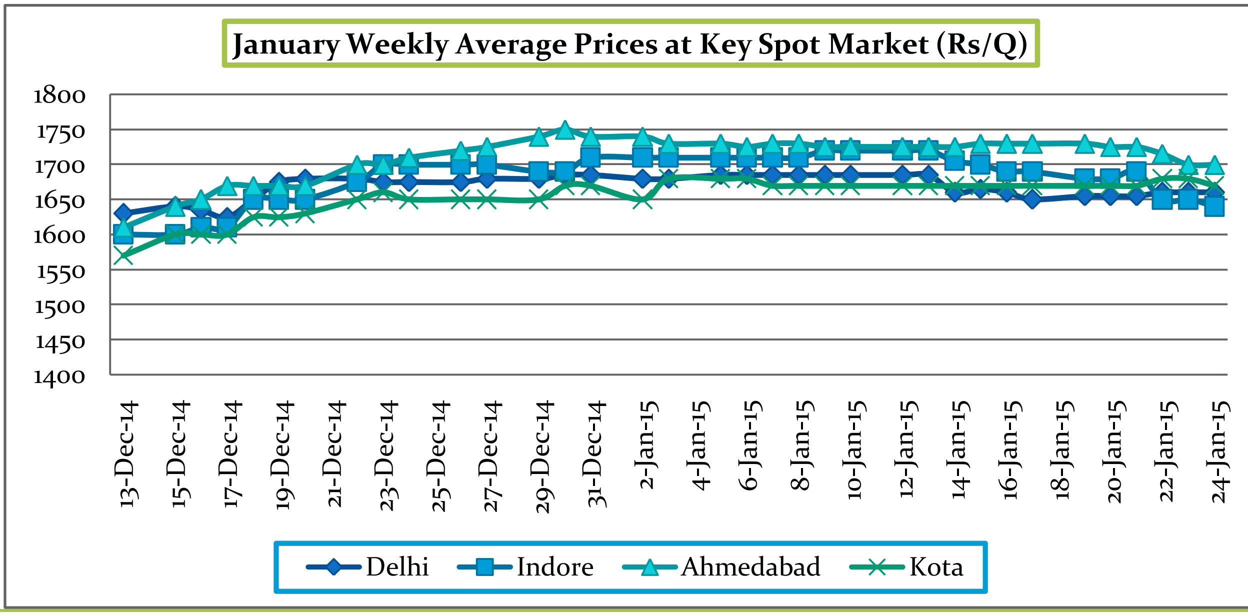
Wheat crop in major growing regions has been satisfactory so far under favorable weather condition except Doaba region of Punjab and Karnal in Haryana, where news regarding spreading of yellow rust is surfacing on ground. As temperature remains at lower level at night and lack of sunshine in day may create congenial condition for yellow rust spread in Muktsar and Faridkot. Farmers in these areas, who have not adopted resistance varieties, need to be careful for next two-three weeks.

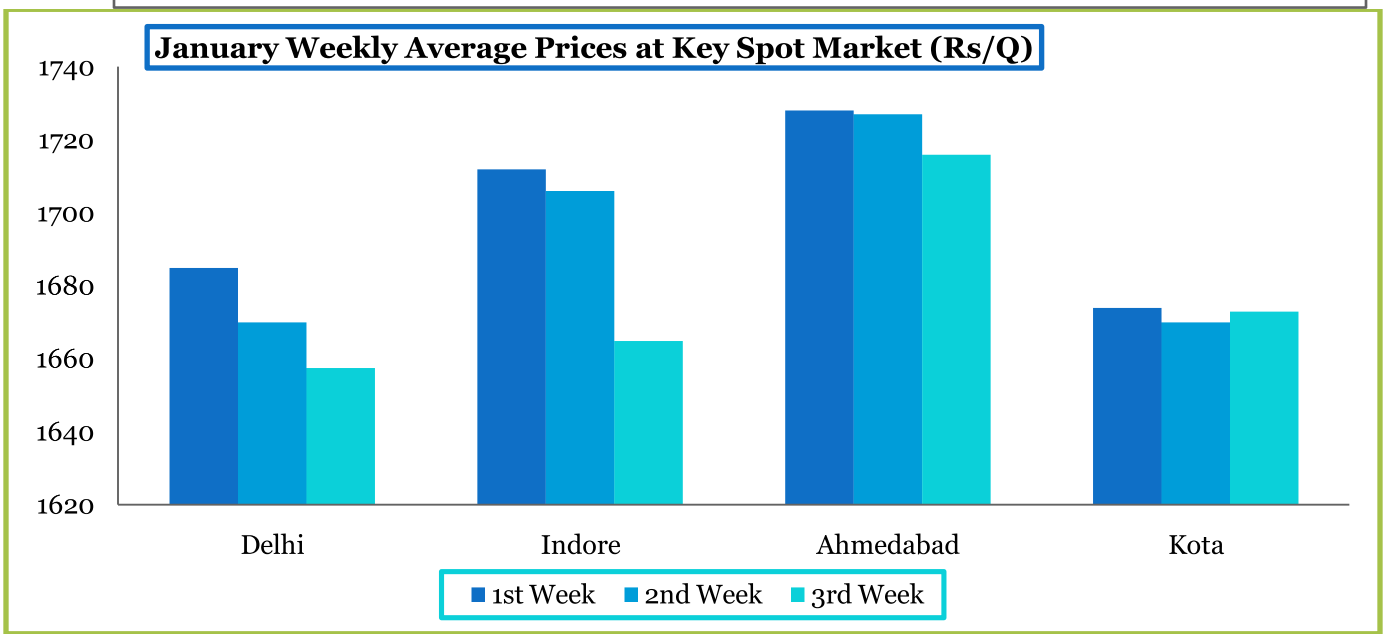
In some major growing area of Punjab and Haryana wheat leaves have turned pale due to chill and foggy weather. Next two to three weeks are very crucial for ensuring better growth of the standing crop. Agriculture department expects better weather condition in the weeks ahead. Recent rains have increased hope of sunny days ahead and it hints towards bumper crop once again.

According to IBIS, export of wheat in the third week of January (12-18 Jan) was around 32.713 Thousand Mt. The major export destination of Indian wheat was Bangladesh from Kandla port which accounted 31.50 thousand MT at an average FOB price of $281.05/Tn .Other countries were UAE and Malaysia.

Weather Watch: (Source-IMD)

- A fresh Western Disturbance is likely to affect Western Himalayan region from 31st January.
- Rain/ thundershowers would occur at isolated places over east and northeast India.
- Weather would be dry over rest of the country.





STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.01.2015:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.26	0.00	8.26
NORTH EAST ZONE	0.64	0.00	0.64
NORTH ZONE	90.78	84.42	175.20
SOUTH ZONE	6.12	0.00	6.12
WEST ZONE	14.89	43.09	57.98
TOTAL	**120.69**	**127.51**	**248.20**

(Figures in Lakh Tonnes)

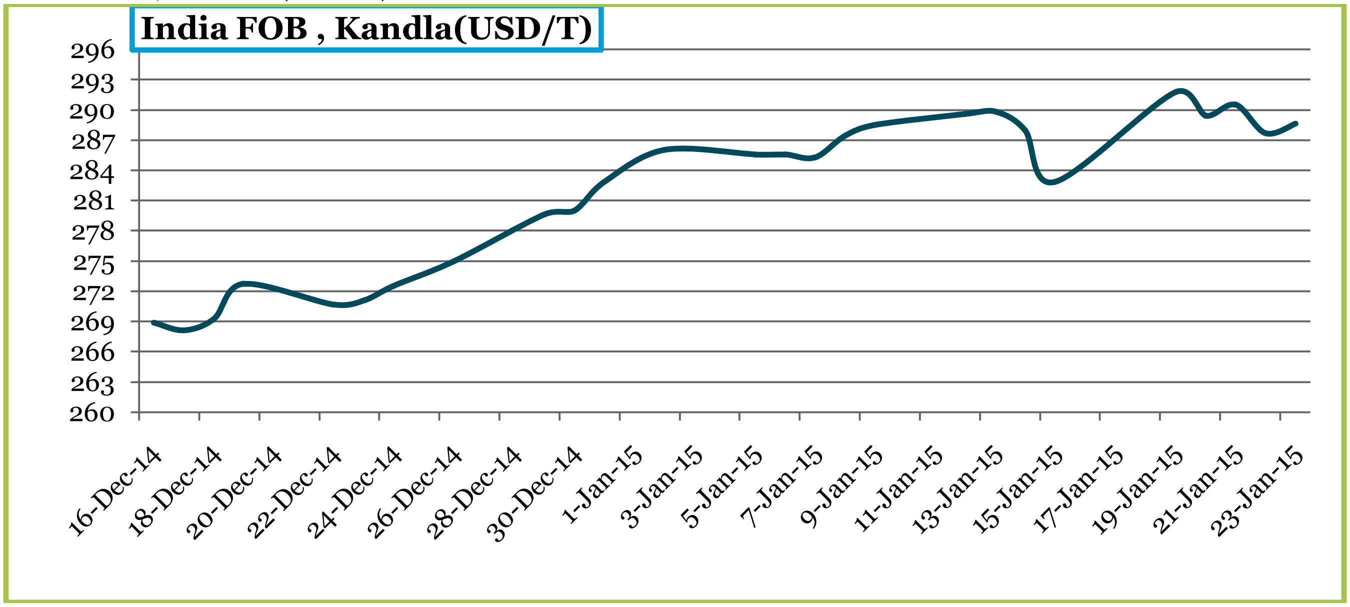
FOB Value as on 24.01.2015 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16000	15800	15700	15750	16300	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)	17200	17450	18100	17700	18350	15700	19100
Indian FOB (USD/MT)	**279.72**	**283.79**	**294.36**	**287.85**	**298.42**	**255.33**	**310.62**
Insurance @ 0.1%	0.28	0.28	0.29	0.29	0.30	0.26	0.31
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	298	302	312	306	316	273	329
INR	61.49	61.49	61.49	61.49	61.49	61.49	61.49
Russian Wheat FOB (USD/MT)	**268**	**268**	**268**	**268**	**268**	**268**	**268**
Parity on FOB Basis (USD/MT)	**-12**	**-16**	**-26**	**-20**	**-30**	**13**	**-43**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	23 Jan, 2015	week ago 14 Jan, 2015	Month ago 22 Dec 14	Year ago 21 Jan 2014	Change over previous Year %
Indore	1655	1685	NA	1760	**-5.97**
Bareilly	1630	1634	1575	1748	**-6.75**
Delhi	1667	1670	1677	1658	**0.54**
Khanna	NA	NA	NA	1825	**NA**
Kanpur	1623	1620	1548	1730	**-6.18**
Karnal	NA	NA	NA	1558	**NA**
Rajkot	1698	1701	1675	1710	**-0.70**
Kota	1688	1695	1647	1738	**-2.88**

India FOB, Kandla (USD/T)



Wheat Export Weekly Data:

Weekly Export (12 Jan-15 18Jan-15)	Quantity in Mt	FoB ($/Tn)
Total	32713.00	307.15
Bangladesh	31500.00	281.05
UAE	203.00	327.50

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24.01.2015	**17.01.2015**	
	Lawrence Road	**Mill Delivery**	1660	1650	**10**
	Nazafgarh	**Mill Delivery Loose**	1615	1640	**-25**
Delhi	**Narella**	**Mill Delivery Loose**	1590	1590	**Unch**
	Rajkot	**Mill Delivery**	1700	1730	**-30**
Gujarat	**Ahmedabad**	**Mill Delivery**	1750	1760	**-10**
	Bhopal	**Mill Quality Loose**	1525	1550	**-25**
M.P.	**Indore**	**Mill Delivery**	1640	1690	**-50**
Rajasthan	**Kota**	**Mill Quality**	1570	1590	**-20**
U.P.	**Kosi**	**Mill Quality Loose**	1630	1630	**Unch**
Punjab	**Khanna**	**Mill Quality Loose**	1530	1550	**-20**
Haryana	**Sirsa**	**Mill Delivery loose**	1505	1505	**Unch**

Commodity: Wheat **Exchange: NCDEX**
Contract: Feb **Expiry: 20th Feb, 2015**

Wheat (Weekly Chart)

Technical Commentary:

- Candle stick chart depicts downward movement in the market.
- Fall in price and rise in O.I. indicates short buildup.
- RSI is in neutral zone.

Strategy: Sell

Intraday Supports & Resistances			**S2**	**S1**	**PCP**	**R1**	**R2**
Wheat	NCDEX	Feb	1600	1620	1657	1690	1700
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	Feb	**Sell**	1662	1652	1647	1668

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

Domestic Weekly Outlook: **Market is bound to stay steady to slightly weak due to pressure arrival and expectation of good production this year.**

International Market Updates:

Algeria's state grains agency OAIC bought around 2.50 – 3.50 tonnes of milling wheat at an average price of $256/tonne (CiF) which has to be delivered in May. The origin is optional but it may come from France and Germany, according to a trader.

Russia might consider banning the wheat exports if informal trade restrictions already in place fail to benefit the economy as hoped as per a senior minister of Russia. Russia has imposed tougher quality monitoring and higher export tax on wheat as domestic prices of wheat is higher. It last banned wheat exports in 2010 after a drought.

Egypt had purchased 2, 40,000 tonnes of wheat from France at an average price of $256.10/tonne CiF which has to be delivered between 19-28 February. Till now from July 1st, Egypt has bought 3.32 million tonnes of wheat from the international market. Egypt had purchased 5.46 million tonnes of wheat from abroad in addition to 3.7 million tonnes of local wheat in 2013-14.

Ukraine's Agriculture Ministry suggested traders to limit milling wheat exports at 2 Lakh tones per month in January and February to keep as much wheat in stock as possible because it was uncertain how much the next harvest(in July) would yield. February exports of wheat from Ukraine ranged from 1.88 Lakh tonnes to 446,000 Lakh tonnes in the previous three years, with milling wheat comprising about half the total.

Russia besides imposing tax on wheat exports that amount to 15 percent of the customs price plus 7.5 euros and will be no less than 35 euros ($41) per tonne from Feb 01, 2015 until June 30, 2015 also taking informal measures to restrict wheat export like tougher and longer quality check and delays on getting the final documents needed from ports for loaded ships to set sail. Due to these informal restrictions traders are facing more problems to meet their contracts before the introduction of an export tax.

A cold snap across the United States raised concerns about damage to the dormant winter wheat crop in many states, particularly in Illinois where the crop was hobbled by planting delays and USDA rated 24 percent of the wheat crop as good to excellent down from 56 percent. In Kansas, the top winter wheat producer, USDA said 49 percent of the crop was rated good to excellent, down from 61 percent.

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 Oct 14	3rd Nov 14	1st Dec 14	6th Jan 15
USA	238.40	262.00	278.00	265.20
France	202.52	217.23	234.45	239.58
United Kingdom	NA	NA	NA	NA
Australia	257.00	270.00	265.00	265.00
Russia	233.50	241.00	247.00	263.50
India	275.30	276.83	273.62	285.58

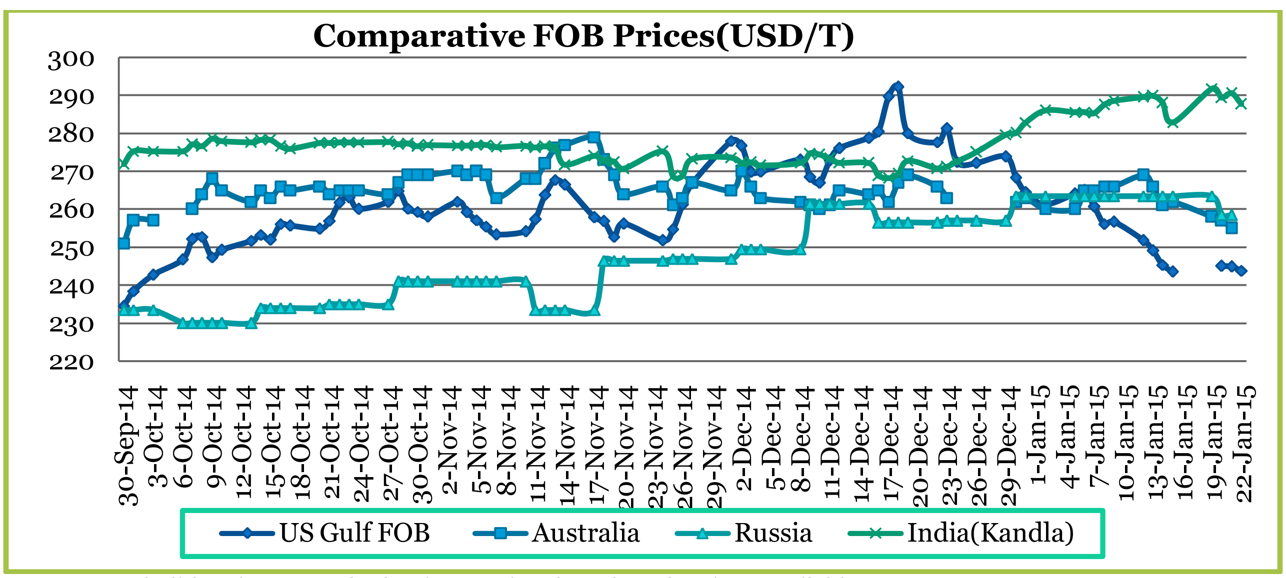
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 23.01.15 (USD/T)

CONTRACT MONTH	23 Jan 15	Week ago (16 Jan 2015)	1 Month ago(23 Dec 14)	3 Month ago(23 Oct 14)	6 Month ago(23 July 14)	1 Year ago(23 Jan 14)	% Change over previous year
15-Mar	194.72	195.73	233.48	198.49	212.27	225.40	**-13.61**
15-May	195.73	196.47	234.58	201.34	218.14	225.40	**-13.16**
15-Jul	197.11	197.75	234.77	204.00	223.01	222.09	**-11.25**
15-Sep	199.96	200.60	237.25	207.49	227.60	224.02	**-10.74**
15-Dec	204.18	204.92	240.19	212.08	233.39	227.15	**-10.11**
16-Mar	206.75	207.21	241.20	215.39	237.06	229.35	**-9.85**

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: Following an unseasonably hot and dry spring, soaking rains overspread southern Queensland and northern New South Wales during December. In southeastern and Western Australia, very warm, mostly dry weather favored final wheat harvesting.

Argentina- In December, frequent, above-normal rainfall renewed fieldwork delays in various northern and eastern farming areas. The heaviest rain (totaling more than 200 mm for the month) was concentrated over the northeast; amounts exceeding 400mm over northeastern Santa Fe and Corrientes. Heavy rain also fell in areas of the lower Parana River Valley, with amounts in excess of 200 mm throughout Entre Rios. Otherwise, rainfall was variable throughout central Argentina, with pockets of warmth and dryness in southern sections of La Pampa and Buenos Aires. In Cordoba, an increase in showers at month's end was timely for vegetative to reproductive summer crops after weeks of dryness. Scattered showers also brought some relief to previously-dry northwestern farming areas. December average temperatures were within 1°C of normal, maintaining seasonable levels of crop-water usage. Temperatures reached the middle and upper 30s (degrees C) at times in the southwest (notably La Pampa, western Buenos Aires, and Cordoba) but stressful heat (highs approaching 40°C) was confined to traditionally warmer parts of the northwest.

Russia and Ukraine: Near- to above-normal temperatures and precipitation maintained good conditions for dormant winter grains over much of the region. From eastern Ukraine into central Russia, 50 to 70 mm of precipitation (much of which fellas snow) improved soil moisture reserves in areas impacted by autumn drought. In addition, crops were protected from bitter cold (-20°C or lower) at the end of December by a moderate to deep snowpack, reducing the risk for winterkill. However, snow cover was shallow and patchy in north-central Ukraine, leaving crops exposed to the elements. In addition, many of the wheat areas of central and northern Ukraine remained unfavorably dry, exacerbating soil moisture losses brought on by a drier-than-normal fall.

International Weekly Outlook: Global wheat market may trade steady to weak due to ample supply in the world market. Recently market showed firmness due to weather concern in USA and Russia restriction on wheat export, however recent weather updates has calm down the concern of wheat crop in USA and Global wheat production started pressuring the wheat market. Market may test the first support level of 520 cent per bushel in the short term & 480 cent per bushel in medium term. We expect market to trade in the range of $185 to $215 per T.