

Domestic Market Updates:

Wheat cash markets in India trades range bound and any jump from current level is unlikely due to smooth supply side from central pool stock and virtually negligible demand for export. Besides, crop condition is satisfactory so far and better yield is expected this year on the back of favorable weather condition throughout the growing regions.

According to IBIS, export of wheat in the fourth week of January (19-23 Jan) was around 1138 MT. The major export destination of Indian wheat was China from Mundra port which accounted 648 MT at an average FOB price of \$309.95/Tn .Other countries were UAE and Jordan.

As of now (30.01.2015)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 305.94 lakh hectares against corresponding period of 2013-14(315.25 lakh hectares).

The global wheat market gained in recent weeks considerably on the back recently imposed export tax by Russia. 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 some 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.

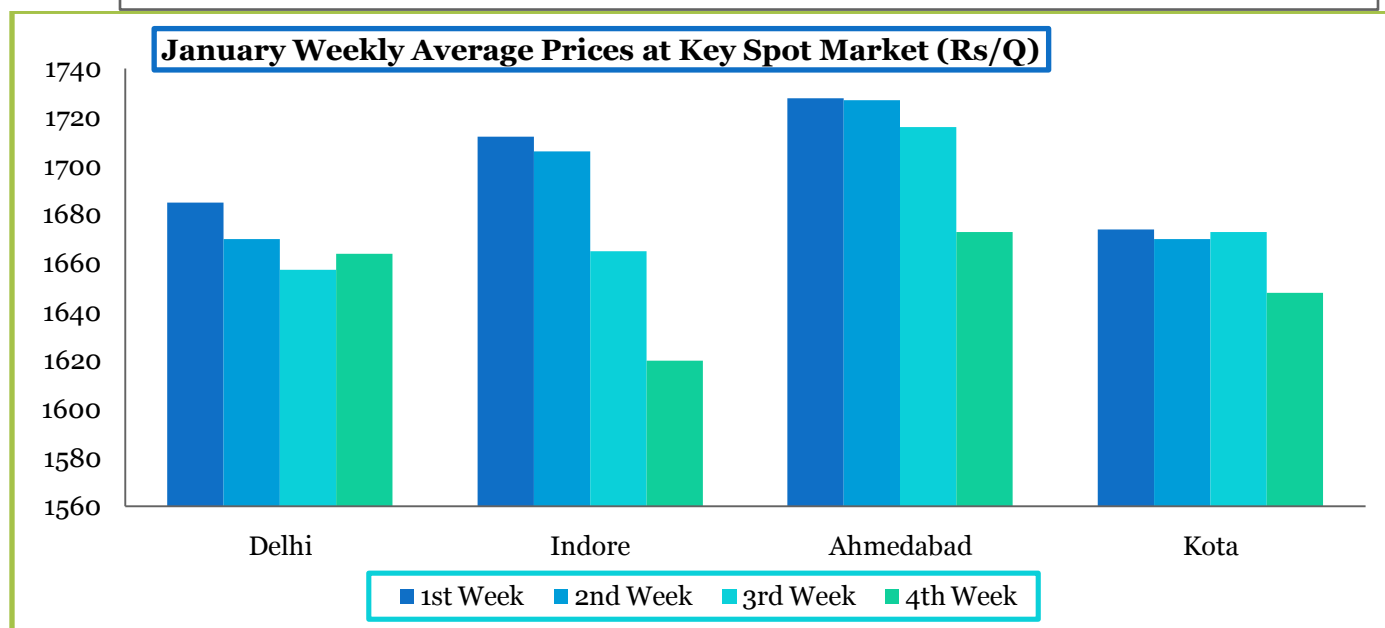
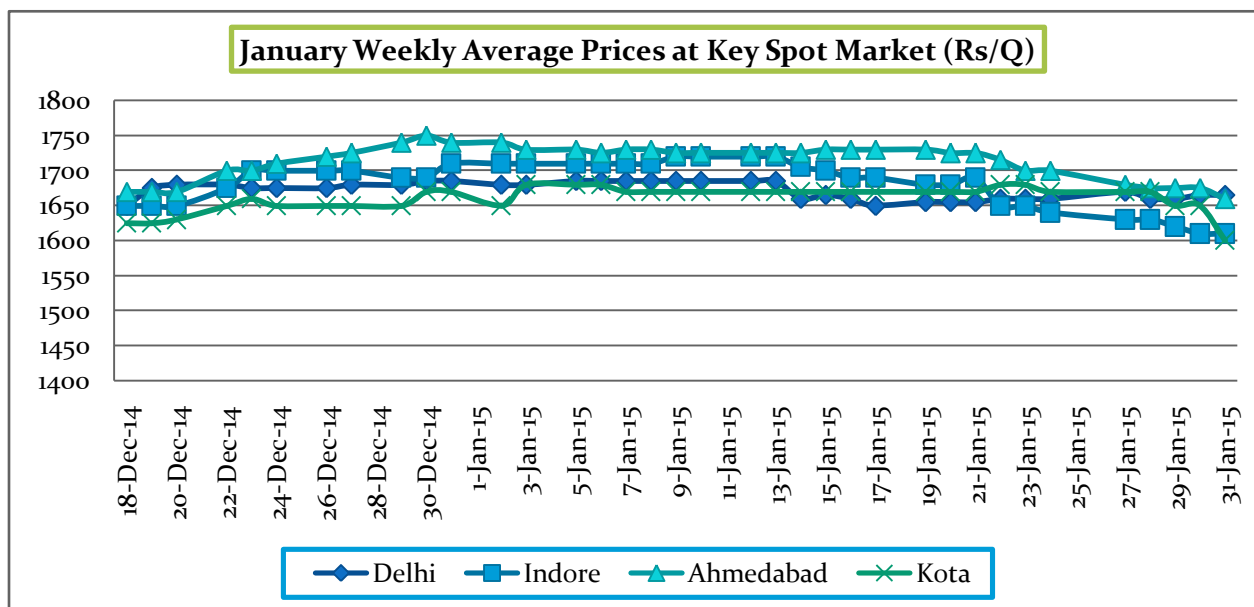
Wheat stock in govt.'s granary on 15th January was recorded at 24.01 million tonne against 25.11 on 01st January. India needs 8.2 million tonne wheat as buffer stock and 3 million tonne as strategic reserve as on 1st January, 2014.Actual holding with govt. is at comfortable stage and supply side would 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.

Weather Watch: (Source-IMD)

- Significant decrease rain/snow activity over western Himalayan region from 5th February.
- Rain/thundershowers would occur at isolated to few places over extreme south peninsular India.



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)

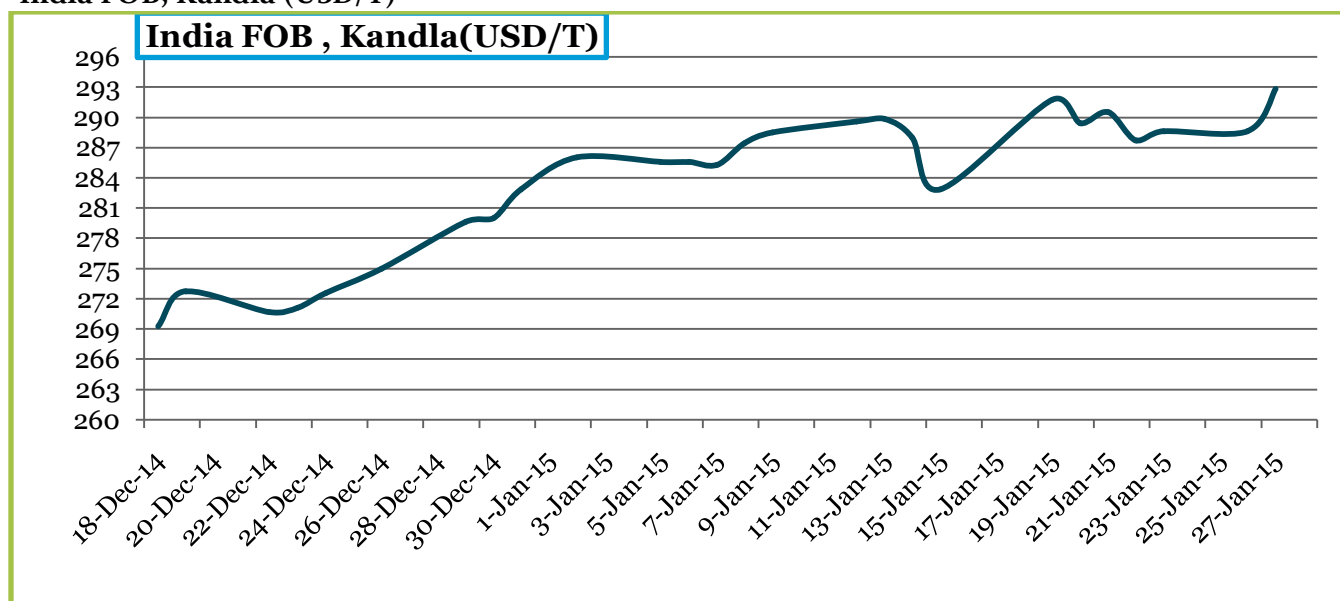
FOB Value as on 30.01.2015 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15650	15200	15500	15750	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)	16850	16850	17900	17700	18050	15700	19100
Indian FOB (USD/MT)	272.87	272.87	289.88	286.64	292.31	254.25	309.31
Insurance @ 0.1%	0.27	0.27	0.29	0.29	0.29	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	291	291	308	305	310	272	327
INR	61.75	61.75	61.75	61.75	61.75	61.75	61.75
Russian Wheat FOB (USD/MT)	245	245	245	245	245	245	245
Parity on FOB Basis (USD/MT)	-28	-28	-45	-42	-47	-9	-64

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	30 Jan, 2015	week ago 22 Jan, 2015	Month ago 28 Dec 14	Year ago 28 Jan 2014	Change over previous Year %
Indore	1638	1645	1678	1745	-6.13
Bareilly	1623	1631	1638	1755	-7.52
Delhi	1664	1667	1687	1635	1.77
Khanna	NA	NA	NA	1845	NA
Kanpur	1618	1615	1608	1740	-7.01
Karnal	NA	NA	NA	1583	NA
Rajkot	1677	1711	1698	1712	-2.04
Kota	1670	1688	1673	1750	-4.57

India FOB, Kandla (USD/T)

**Wheat Export Weekly Data:**

Weekly Export (19 Jan-15 23Jan-15)	Quantity in Mt	FoB (\$/Tn)
Total	1138.00	319.49
China	648.00	309.95
UAE	336.00	321.35

*Provisional Data (As per IBIS)

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31.01.2015	24.01.2015	
Delhi	Lawrence Road	Mill Delivery	1665	1660	5
	Nazafgarh	Mill Delivery Loose	1615	1615	Unch
	Narella	Mill Delivery Loose	1600	1590	10
	Rajkot	Mill Delivery	1660	1700	-40
Gujarat	Ahmedabad	Mill Delivery	1740	1750	-10
	Bhopal	Mill Quality Loose	1500	1525	-25
M.P.	Indore	Mill Delivery	1610	1640	-30
Rajasthan	Kota	Mill Quality	1520	1570	-50
U.P.	Kosi	Mill Quality Loose	1600	1630	-30
Punjab	Khanna	Mill Quality Loose	1530	1530	Unch
Haryana	Sirsa	Mill Delivery loose	1515	1505	10

Commodity: Wheat
Contract: Feb

Exchange: NCDEX
Expiry: 20th Feb, 2015

Wheat (Weekly Chart)



Technical Commentary:

- Candle stick chart depicts range bound 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	Feb	1600	1620	1664	1690	1700
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	Feb	Buy	1660	1667	1670	1656

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

Domestic Weekly Outlook: Market is bound to stay range bound in this week due to lean season factors.

International Market Updates:

Tunisia continues to buy wheat to meet its requirement. Its grain agency has invited international tender for 1.17 lakh tonne for soft milling wheat. European trades have said that delivery for this wheat is sought in March and April. More tenders is expected in mid Feb-2015. Timing of delivery may vary depending on sourcing countries.

Saudi Arabia's state grain buyer, the Grain Silos and Flour Mills Organization (GSFMO), said on Thursday it was seeking 660,000 tonnes of hard wheat in a tender.

The wheat, with 12.5 percent protein content, is for shipment during April and May, GSFMO said in a statement. The wheat will be purchased in shipments of 55,000 tonnes with a total 330,000 tonnes to be imported via the port of Jeddah and 330,000 tonnes via Dammam.

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.

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.

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)

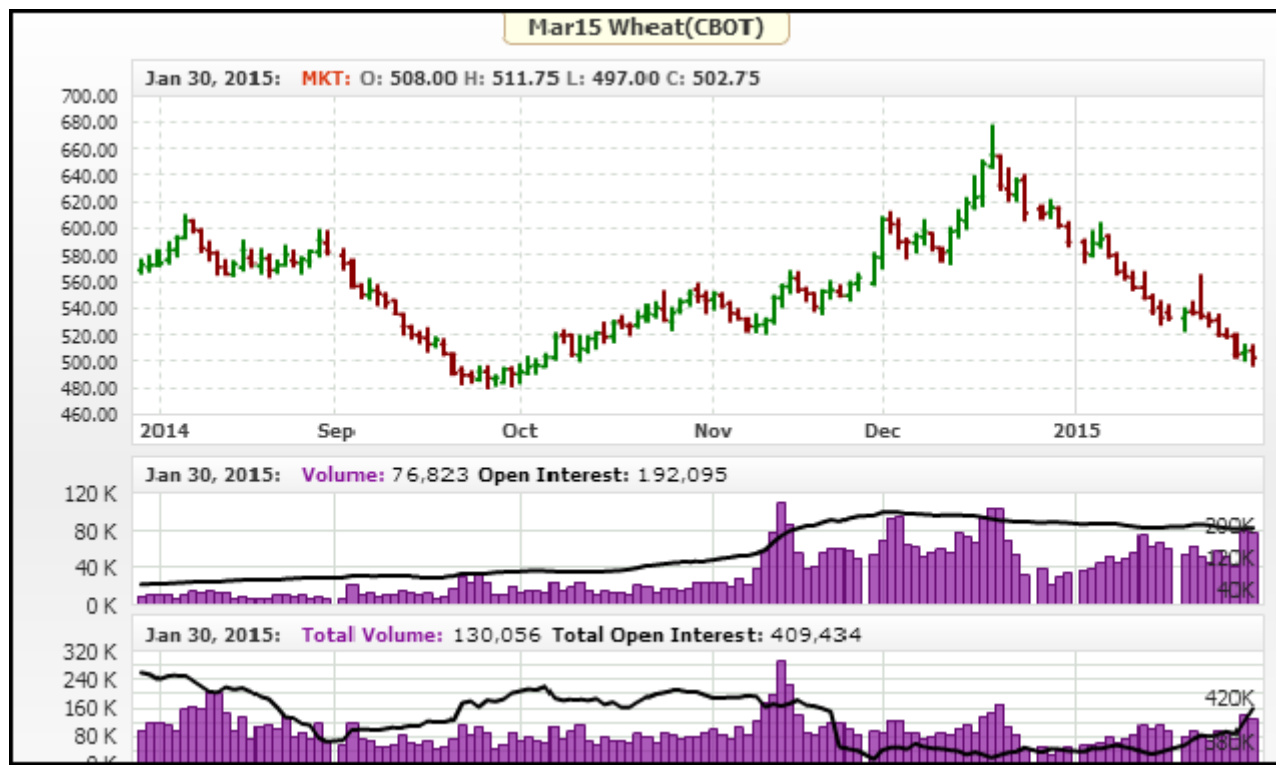
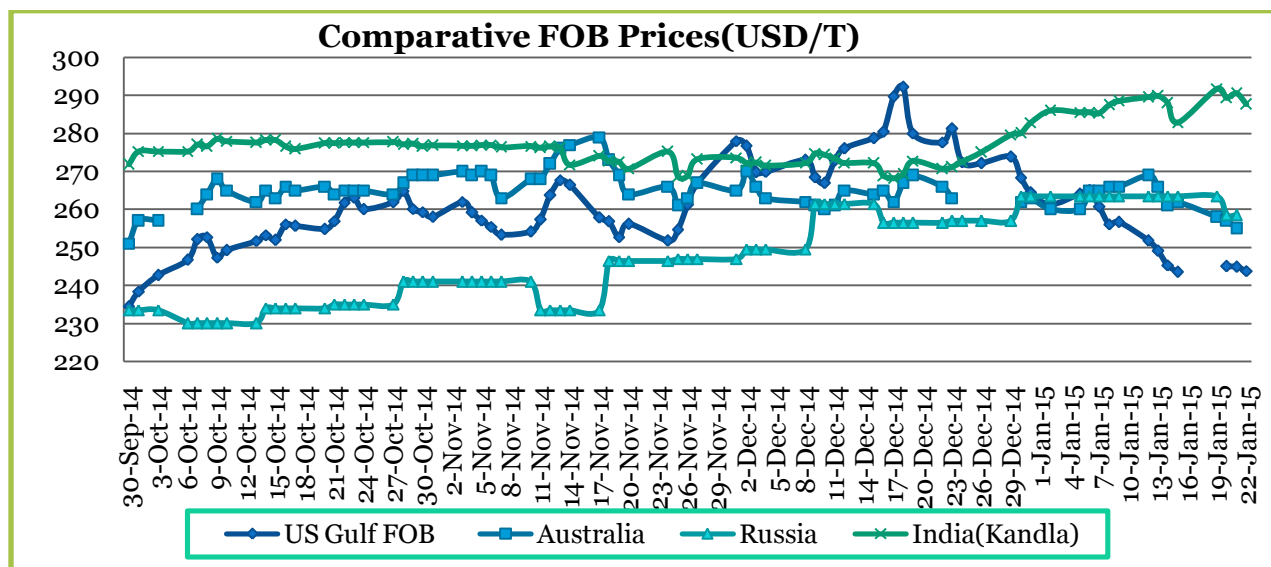
	2009-10	2010-11	2011-12	2012-13.	2013-14 Est	Forecast for 2014-15	
						27.11.2014	22.01.2015
Production	679	653	695	655	713	717	717
Trade	128	126	145	141	155	150	151
Consumptions	652	657	698	677	695	712	708
Carryover stocks	199	194	191	169	187	193	196
Y-O-Y change	27	-4	-2	-22	18	6	9
Major Export	79	73	68	48	52	59	63

Indicative FOB Quotes:

All prices are for SRW /milling grade, comparable to Indian quality	1 st Oct 14	3 rd Nov 14	1 st Dec 14	6 th 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: 30.01.15 (USD/T)							
CONTRACT MONTH	30-Jan-15	Week ago (21 Jan 2015)	1 Month ago(29 Dec 14)	3 Month ago(27 Oct 14)	6 Month ago(28 July 14)	1 Year ago(27 Jan 14)	% Change over previous year
15-Mar	189.74	197.2	226.13	197.11	213.18	222.83	-14.43
15-May	191.25	198.4	227.42	199.87	218.51	223.2	-13.91
15-Jul	193.04	199.68	227.88	202.71	222.64	220.44	-11.88
15-Sep	196.15	202.53	230.45	206.39	227.05	222.74	-11.38
15-Dec	201.6	206.66	234.22	210.89	232.84	226.13	-10.8
16-Mar	203.51	208.96	235.69	214.29	236.24	228.52	-10.69

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 Queensland and northern New South Wales, widespread showers (generally 10-50 mm, locally more) further boosted yield prospects for summer crops, which are in or nearing reproduction. The rain maintained adequate to locally abundant topsoil moisture for dry land crops and eased supplemental water requirements for irrigated crops. Temperatures in eastern Australia continued to average near normal, favoring crop development.

Argentina- Widespread, locally heavy rain maintained generally favorable yield prospects of summer grains. Rainfall was highly variable, ranging from 5 to 50 mm in most areas; rain ended a brief dry spell in La Pampa and southwestern Buenos Aires, otherwise most agricultural areas remained well watered. Weekly temperatures averaged within 1°C of normal in most areas, with daytime highs reaching the lower 30s (degrees C) on several days in Buenos Aires and nearby growing areas of Cordoba, Santa Fe, and Entre Rios; temperatures briefly reached the upper 30s in La Pampa. High temperatures also reached the upper 30s on several days in Argentina's northern agricultural areas, hitting 40°C in parts of northern Cordoba and Santiago del Estero.

Russia and Ukraine: Unseasonable warmth developed over western and southern portions of the region, while eastern-most crop areas remained cold and snow covered. Across key wheat areas of Ukraine as well as western and southern Russia, warmer weather (3-7°C above normal) reduced the region's protective snow cover but minimized the risk for freeze damage to dormant winter wheat. In addition, daytime highs greater than 10°C across southwestern Russia reduced winter wheat cold hardiness and may have encouraged some early greening. In contrast, near to below normal temperatures prevailed across central Russia, keeping dormant winter crops encased in snow. Precipitation totaled 10 to locally more than 25 mm (liquid equivalent) across central and northwestern crop areas, with much of the precipitation falling as rain.

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 500 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.

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