Domestic Market Updates:

Wheat cash market continued to trader steady to weak on better supply and sluggish demand from bulk users in the week under review. Millers are sourcing wheat from FCI go-downs as well as from private trade. However, fresh international demand for wheat might help to find support at lower levels.

Wheat MSP has been increased by Rs 65/Q to Rs 1350/Q. It might entice farmers to sow more wheat and once again a bumper crop can be expected.

3.24 million Tonnes of wheat have been exported so far Since April 2012. Indian wheat has been bought aggressively by South-East Asian countries.

In Gujarat wheat production this year may fall by 25%. So far wheat has been sown in 737, 300 hectares as compared to previous year's 886, 900 hectares at the same time which is around 17% less. The biggest fall is seen in Saurashtra region where sowing is down by 92% as compared to last year. So far wheat has been sown in 80,900 hectares as compared to last year's 12 lakh hectares, due to lower availability of water.

In Maharashtra wheat has been sown in 4, 05, 724 hectares so far, which is 41.9 % of the Normal area. Last year at the same time wheat was sown in 4, 09,616 hectares. Maharashtra has set target of 10, 50,100 hectares.

In Rajasthan wheat has been sown in 25, 71, 500 hectares so far, which is 91.8% of the target area. Last year at the same time wheat was sown in 25, 96,000 hectares. Rajasthan has set target of 28, 00,000 hectares against the last years 29, 35,000 hectares.

According to PIB (Press Information Bureau), wheat has been so far sown in 272.79 lakh hectares as compared to last year's 276.81 lakh hectares at the same time.

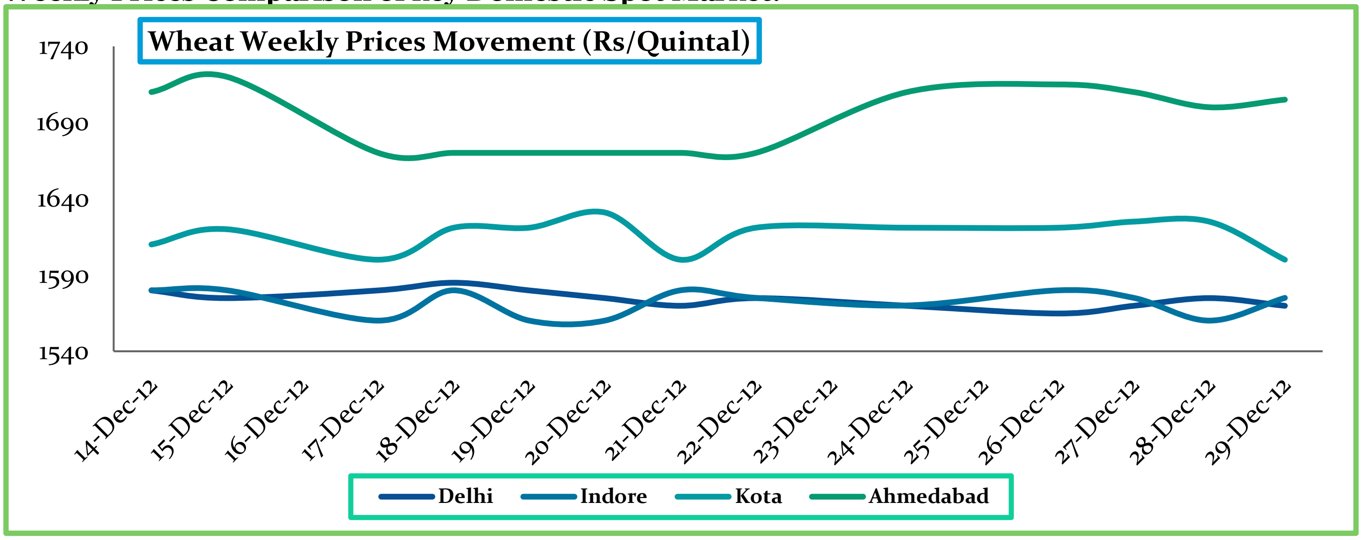
Exporters like Cargill, L.D are active in Gujarat and purchasing wheat around Rs 1700/Q. Sri Lanka, Bangladesh are buying wheat in bulk from private traders while Malaysia and Indonesia are doing small shipment.

In Rajasthan farmers have shifted sown area to wheat from Garlic and Coriander in some region and total area coverage in expected to be more than last year. In M.P and Uttar Pradesh area is expected to be same as previous year however higher MSP may encourage farmers to shift area to wheat. Overall production prospects looks bright as of now, however the temperature in February and March will be crucial for the final size of the crop. Punjab and Haryana wheat crop is reported to be in good condition and a bumper crop is expected in these two wheat growing states.

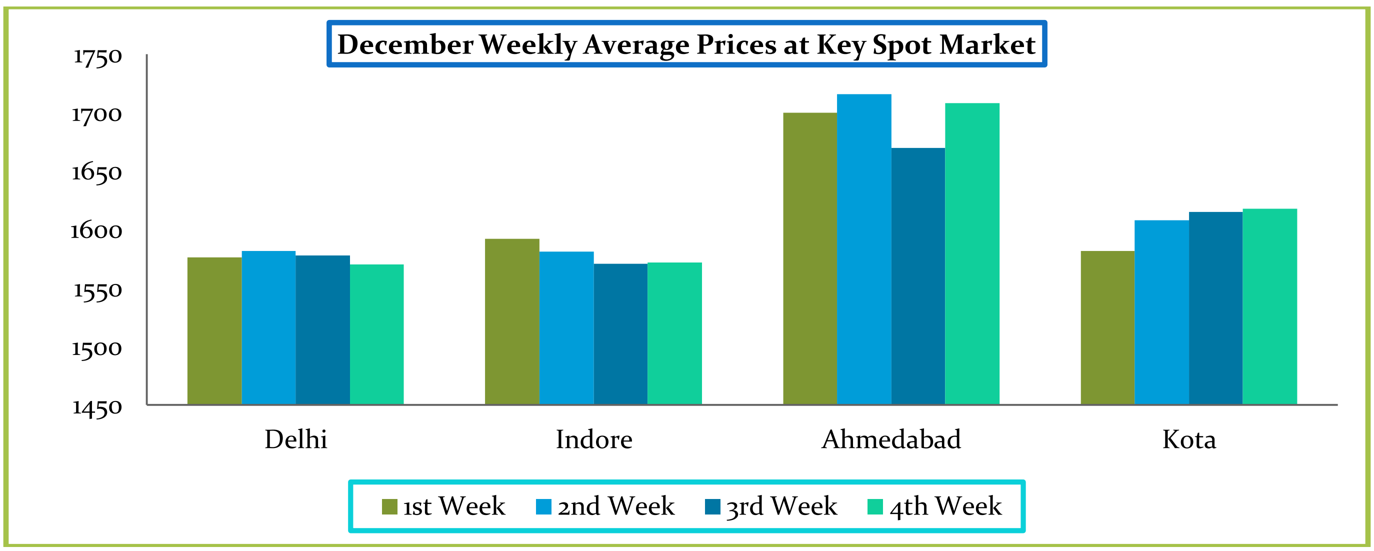
Weather Watch:

- During the week all India weighted rainfall was (0.4 mm) was -88 per cent below normal (3.3 mm).
- In the country, 11 per cent districts received excess and 20 per cent districts received normal rainfall during post monsoon season so far. However, 27 per cent districts received deficient and 26 per cent districts received scanty rainfall and 16 per cent districts received no rainfall.

Weekly Prices Comparison of key Domestic Spot Market:



Prices remained steady to weak at Delhi (Lawrence Road), Ahmadabad and Indore market due to sluggish demand however prices are finding support at lower levels as export demand is good.



Slight downward movement was seen at key spot market however no major uptrend expects at Ahmadabad due to buoyant exports and prices are expected to remain steady to weak.

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.12.2012:	IN STORAGE	IN TRANSIT	TOTAL
RICE	303.30	2.77	306.07
WHEAT	374.07	2.45	376.52
Wheat lying in Mandies	0.00	0.00	0.00
TOTAL	**677.37**	**5.22**	**682.59**
COARSE GRAINS	0.63	0.00	0.63
SUGAR	0.22	0.04	0.26
GRAND TOTAL	**678.22**	**5.26**	**683.48**

(Figures in Lakh Tonnes)

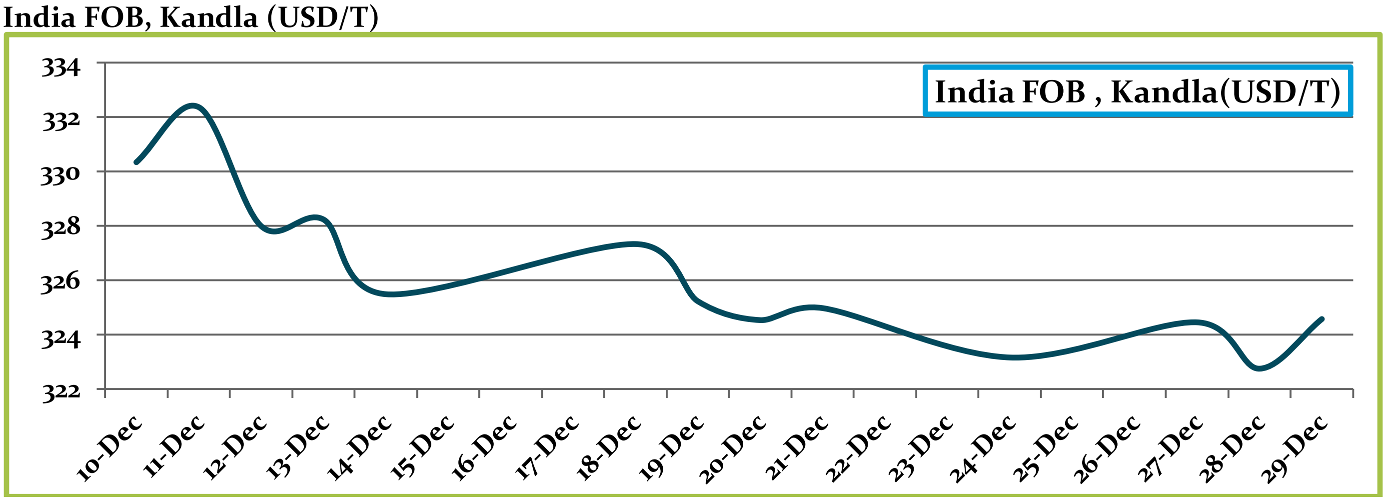
FOB Value as on 29.12.2012 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16600	15900	15300	15650	15000	12850	18220
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	500	500	500	500	500	500	0
Local transport, port warehousing, labour charges, shortage	500	1150	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	17600	17550	17700	17600	17050	14550	18220
Indian FOB (USD/MT)	**321**	**320**	**323**	**321**	**311**	**265**	**332**
Insurance @ 0.1%	0.32	0.32	0.32	0.32	0.31	0.27	0.33
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	339	338	341	339	329	283	350
INR	54.84	54.84	54.84	54.84	54.84	54.84	54.84
Russian Wheat FOB (USD/MT)	-	-	-	-	-	-	-
Parity on FOB Basis (USD/MT)	-	-	-	-	-	-	-

Spot prices of Wheat at NCDEX Delivery Centers

NCDEX SPOT	29 Dec, 2012	week ago 20 Dec 12	Month ago 27 Nov 12	Year ago 27 Dec 2011	change over previous Year %
Bareilly	1540	1550	1575	1175	**23.70**
Delhi	1571	1578	1578	1191.15	**24.18**
Indore	1573	1575	1590	1164	**26.00**
Khanna	1668	1654	1646	1292.15	**22.53**
Kota	1650	1638	1645	1148	**30.42**
Kanpur	1490	1485	1510	1075	**27.85**
Karnal	1525	1530	1570	1298	**14.89**
Rajkot	1647	1650	1653	1171.25	**28.89**

India FOB, Kandla (USD/T)



Wheat Export Monthly Data:

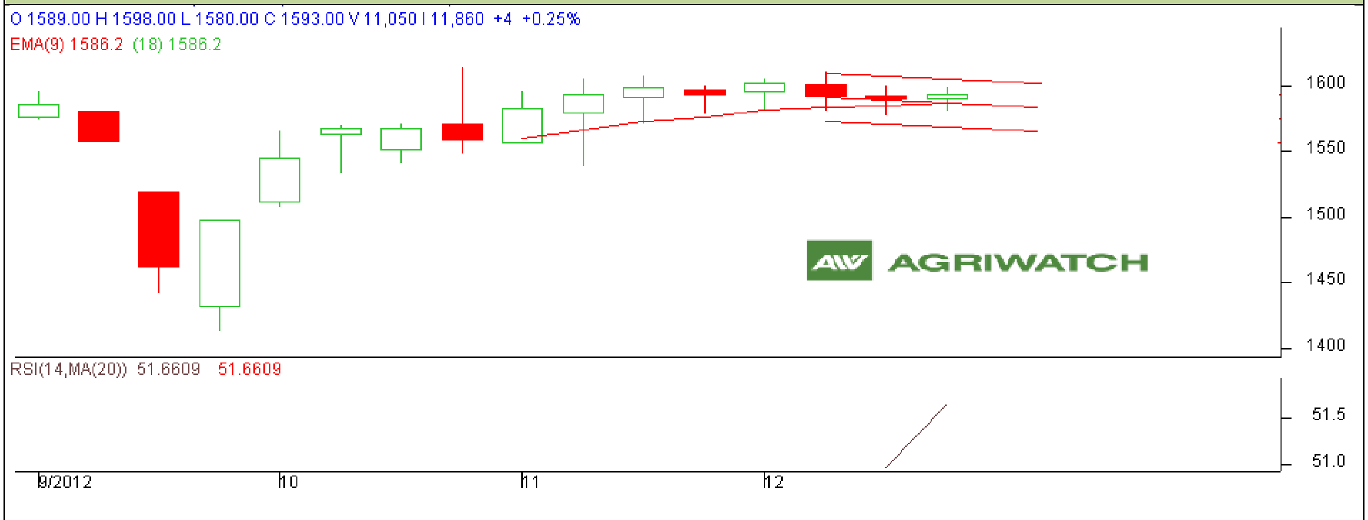
Wheat export under OGL	Wheat (Lakh T)	Average FOB Quotes Kandla (USD/MT)	CBOT Average Quotes (USD/MT)
Oct-11	1.30	215.90	242.79
Nov-11	1.80	225.41	234.05
Dec-11	1.35	230.79	228.41
Jan-12	1.05	237.07	237.73
Feb-12	0.95	239.53	240.81
Mar-12	1.23	244.02	241.00
Apr-12	1.18	236.89	235.13
May-12	2.57	252.15	236.73
Jun-12	3.45	256.64	245.82
Jul-12	3.35	296.12	318.27
Aug-12	3.95	310.07	328.89
Sep-12	3.55	314.48	326.52
Oct-12	3.75	312.11	317.84
Nov-12	4.26	320.19	317.04
Total	**33.74**		

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			29.12.2012	**22.12.2012**	
Delhi	**Lawrence Road**	**Mill Quality**	1570	1575	**-5**
	Nazafgarh	**Mill Delivery Loose**	1550	1550	**unch**
	Narella	**Mill Delivery Loose**	1525	1525	**unch**
Gujarat	**Rajkot**	**Mill Delivery**	1675	1670	**5**
	Ahmedabad	**Mill Delivery**	1705	1710	**-5**
M.P.	**Bhopal**	**Mill Quality Loose (Lokwan Price)**	1600	1625	**-25**
	Indore	**Mill Delivery**	1575	1575	**unch**
Rajasthan	**Kota**	**Mill Quality**	1600	1621	**-21**
U.P.	**Kanpur**	**Mill Delivery**	1535	1540	**-5**
Punjab	**Khanna**	**Mill Quality Loose**	1470	1470	**unch**
Haryana	**Sirsa**	**Mill Delivery loose**	1530	1540	**-10**

Commodity: Wheat **Exchange: NCDEX**
Contract: January **Expiry: January 18th, 2012**

Wheat (Weekly Chart)



Technical Commentary:

- Market is moving downward and candlestick chart depicts bearishness.
- Fall in OI, Volume and rise in Price hints towards Weak market.
- Oscillator RSI is in neutral Zone.
- Prices closed above 9 and 18 days EMA.

Strategy: Sell from entry level

Intraday Supports & Resistances			**S2**	**S1**	**PCP**	**R1**	**R2**
Wheat	NCDEX	January	1562	1570	1587	1624	1632
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	January	**Sell**	Below 1600	1585	1578	1612

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

Weekly Outlook Domestic: Spot and Future market is expected to trade steady to weak as wheat sowing is going on and it seems that area sown will not be less than previous year, hence bumper crop is very much expected. Supply from government stocks and sluggish demand will add pressure to bearish tone. However buoyant export demand might help to find support at lower levels.

International Market Updates:

CBOT has risen as US weekly exports have highest in two years. Buyers have again turned to US as CBOT has fallen to lowest point in Six months and it is expected both spot and future might rise on revived demand for wheat at lower levels.

Precipitation and snow might improve the prospects of the better winter crop in US. Since mid June this year wheat prices have risen by 51% due to worst drought since 1956.

Algeria's Wheat import has fallen to 5.7 million tonnes against the 6.9 million tonnes same time last year for first 11 months of the year. Of the total imported wheat 4.2 million tonnes was soft milling wheat and rest 1.5 million tonnes was Durum Wheat, as per the customs data.

Ukraine wheat sea exports have fallen in first half of December to 177,600 tonnes from 846,000 tonnes at the same time last month. Traders anticipate that maize will dominate exports from Ukraine in near and medium term due to lower wheat production this year.

Argentina wheat export limit may be further reduced as crop production seems to be lower than previous estimate of 10.1 million tonnes. Traders and Research Analyst sees Argentina production at 9.5 million tonnes, due to regular rains which resulted in flooding of the fields. However, According to Ministry of Agriculture's latest release ministry sees Argentina Wheat crop at 10.5 million tonnes 50 Lakh tonnes less from previous estimate.

Ukraine Government earlier has urged traders to halt wheat exports; but now has allowed 300,000 tonnes for export through government rum organizations. According to official data, Ukraine has already exported 5.7 million tonnes of wheat as of December 18, 2012 now, it is expected that Ukraine export 6 million tonnes of wheat this year.

Bangladesh government got the lowest quote for wheat import from a domestic firm at USD 359.66/T CIF for 50, 000 MT. The price quote is higher than previous two tenders, which were USD 352.95/tonne CIF and $344/tonne CIF.

Russian domestic prices continue to rise due to fresh buying interest ahead of domestic holidays and festive season. Domestic EXW (ex-silo) prices in the European part of the Russia for third-grade and fourth-grade milling wheat rose 200 roubles and 225 roubles, respectively, to reach 10,900 roubles (USD 350) per tonne.

IGC Wheat Balance Sheet (As on 29.11.2012) (Quantity in MMT)

	2007-08	2008-09	2009-10	2010-11	2011-12 estimated	Million T	Projection for 2012-13
						25.10.2012	29.11.2012
Production	607	685	679	653	694	655	654
Trade	110	137	128	126	145	132	134
Consumption	603	645	652	659	692	679	678
Carryover stocks	132	173	200	194	196	172	173
Y-O-Y change	5	41	27	-6	-6	-24	-23
Major Exporters	47	69	79	73	73	50	50

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	27.12.12	Week Ago 20.12.12	Month Ago (November)	3 Months Ago (Sept)	Year Ago (Dec)
USA (Chicago)	RTRS 2srw	18.00	317.70	320.40	354.90	340.00	260.50
France	FCW3	21.10	331.30	329.00	355.20	337.00	261.40
United Kingdom	Feed wheat	29.72	332.40	337.40	357.90	321.00	233.60
Australia	CWRS	-	NA	327.80	334.70	346.99	240.00
Russia	SRW	-	NA	NA	342.00	322.00	247.00
Canada(Spot)	Q2FW	19.72	301.40	301.90	301.10	307.80	244.70
Ukraine	SRW	-	NA	NA	340.00	319.50	245.50
Argentina	SRW	40.28	360.00	345.00	345.00	340.00	215.00

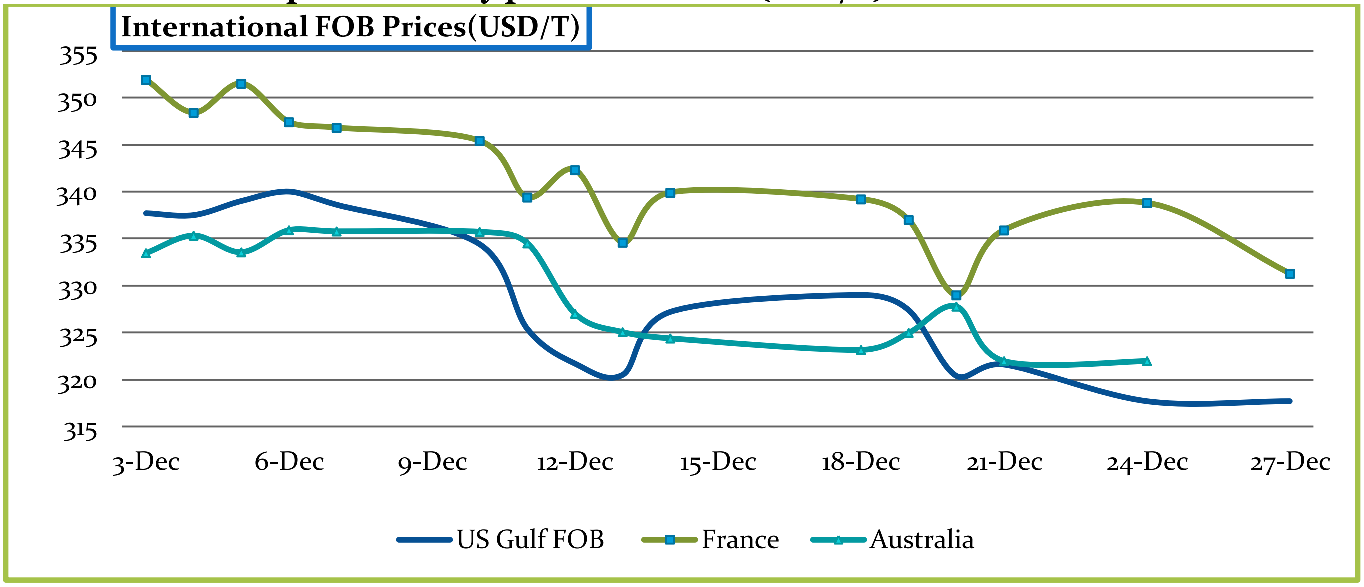
According to latest USDA's WASDE report Global Wheat production estimates has been increased 655.11 million tonnes from 651.43 million tonnes prices have been falling, international demand was weak but fresh demand can be expected as prices have fallen and prices may get support at lower levels, international FOB are expected to be in the range of USD 315-345/T in near term.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 28.12.12(USD/T)							
CONTRACT MONTH	28 Dec 2012	Week ago (21 Dec 2012)	1 Month ago(28 Nov)	3 Month ago(28 Sept)	6 Month ago(28 June)	1 Year ago(28 Dec)	% Change over previous year
Mar-13	286.11	290.98	327.45	335.16	287.03	268.57	6.13
May-13	289.69	294.65	329.83	332.96	289.69	271.78	6.18
July-13	292.08	297.13	326.07	318.54	289.79	270.04	7.55
Sept-13	296.86	301.54	327.72	319.18	292.17	273.44	7.89
Dec-13	301.64	305.95	330.11	321.38	295.21	276.56	8.31
Mar-14	305.68	309.26	331.39	322.85	296.95	277.48	9.22

CBOT March 13 Future Contract Chart:

International FOB prices Weekly price Movement (USD/T):



International Weather update: (Source-USDA)

Argentina- Heavy rain returned to key production areas of central Argentina, maintaining a slow planting pace for corn and soybeans. Rainfall in excess of 100 mm (locally more than 200 mm) was concentrated over a large area stretching from eastern Cordoba through Entre Rios, reaching into the northeast. According to Argentina's Ministry of Agriculture; Winter wheat was 58 percent harvested an increase of 13 points from last week but 11 points behind last year.

Russia and Ukraine - Bitter cold weather persisted, threatening exposed winter grains in central and eastern growing areas. Wind driven snow fell in Ukraine, and southern portions of the Southern District in Russia, affording dormant winter crops generally sufficient insulation from the elements. However, some elevated fields may have been swept clear by the strong winds, causing some exposure to burn back and winterkill. Farther east, winter wheat remained exposed to the arctic blast in the southern Volga (-25 to -20°C) and northern Southern Districts (-21 to -18°C), likely resulting in additional burn back and winterkill.

Australia- In western and south eastern Australia; hot, mostly dry weather favored winter grain harvesting, allowing fieldwork to progress without delay.

International Weekly Outlook: International market is expected to trade under pressure due increased ending stocks of US, increased global production, however fresh exports demand might support prices at lower levels.