

Domestic Market Updates:

Domestic wheat markets continued to trade range bound due to lower demand from bulk users like flour miller. Despite higher allocation through various channels upward correction is being seen in bench mark markets. Prices of wheat in Rajasthan, Delhi, M.P. and Gujarat have improved to some extent. However, one sided uptrend is unlikely as higher allocation and expectation of higher area coverage may restrict further gains.

Rake loading from Rajasthan to South India continues. Two rakes have been loaded for Coimbatore on delivered basis at Rs 1825 per qtl. Flour millers in Gujarat are buying wheat locally and from Rajasthan at Rs 1525-Rs 1550 per qtl. However, arrivals have come down considerably and bulk users will depend mainly on govt.'s stock in the weeks ahead. More demand is expected in Gujarat as private stock is at negligible level. Consumers in Gujarat prefer Rajasthan and M.P. wheat and so expectation of higher demand will continue to support wheat market in Rajasthan.

Wheat area may improve this year as farmers have realized better price due to higher MSP and continuous export demand. Farmer's pre sowing intention shows better coverage this year in Rajasthan as they prefer wheat sowing in guar field. Besides, there is ample water available in Gandhi Sagar Dam and it will facilitate irrigation at maturity stage. However, area under wheat in Saurashtra region may decrease drastically due to lower rainfall. Almost 80 percent wheat area may be used for other cash crops like chana, castor, cumin and cotton.

Exporters and private trade are likely to start buying once again from mid October when prices are supposed to be stabilized in the domestic market. Supply and demand side is likely to remain balanced and so cash market too should trade steady. However, the govt.'s allocation will remain the major price driving force in the months ahead as maximum stock is in govt's custody. Marketable surplus with farmers too are depleting fast.

Wheat stock with govt. is still much higher than required norm and another bumper crop may lead to serious storage problem. Export through govt.'s godowns has not been very impressive. It is appropriate time to ship out maximum wheat (in the range of 7 to 8 million T) in current marketing year. So that carryout stock remains at manageable level.

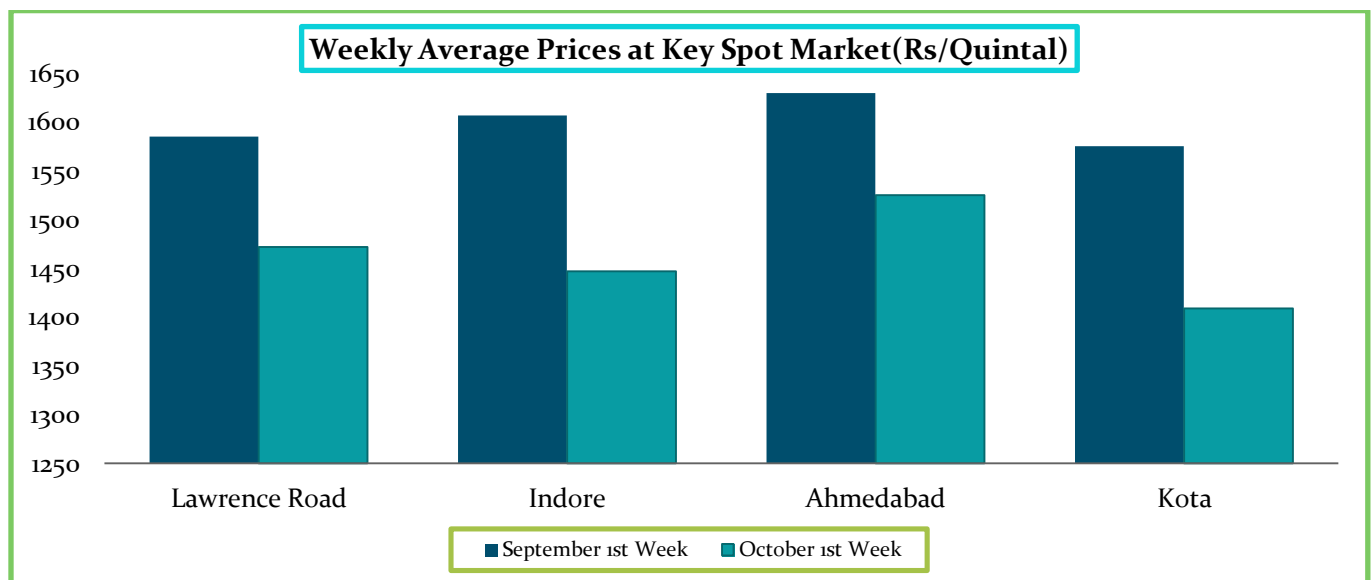
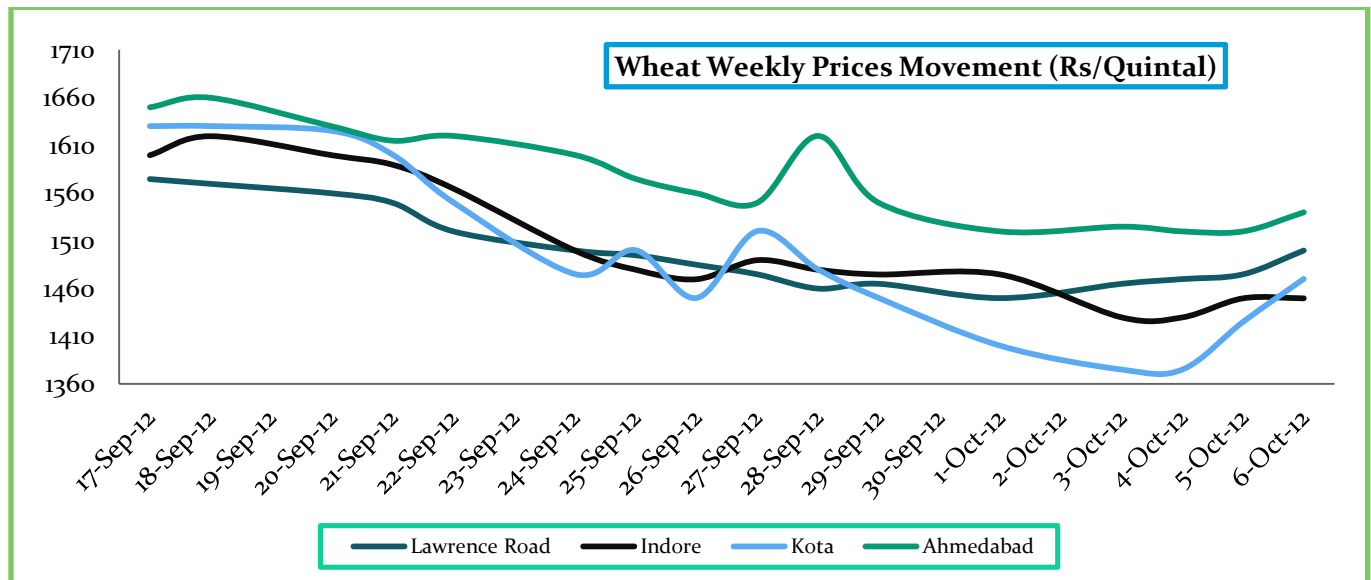
Weather Watch:

Weather Outlook up to 10th October, 2012- Rain/thundershowers would occur at many places over north eastern states and south Peninsular India. Weather would be mainly dry over parts of northwest and adjoining central India

Seasonal Rainfall (in mm) from 1 June-29 September, 2012

Region	Actual	Normal	% Departure from Long Period Average
All India	816.3	883	-8
East & Northeast India	1269.3	1430.8	-11
Northwest India	569.3	613.7	-7
Central India	933.1	970.7	-4
South Peninsula	635.2	709.6	-10

Weekly Prices Comparison of key Domestic Spot Market:



STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.10.2012:			
	IN STORAGE	IN TRANSIT	TOTAL
RICE	231.59	2.14	233.73
WHEAT	428.29	3.24	431.53
Wheat lying in Mandies	0.00	0.00	0.00
TOTAL	659.88	5.38	665.26
COARSE GRAINS	0.59	0.00	0.59
SUGAR	0.35	0.04	0.39
GRAND TOTAL	660.81	5.42	666.23

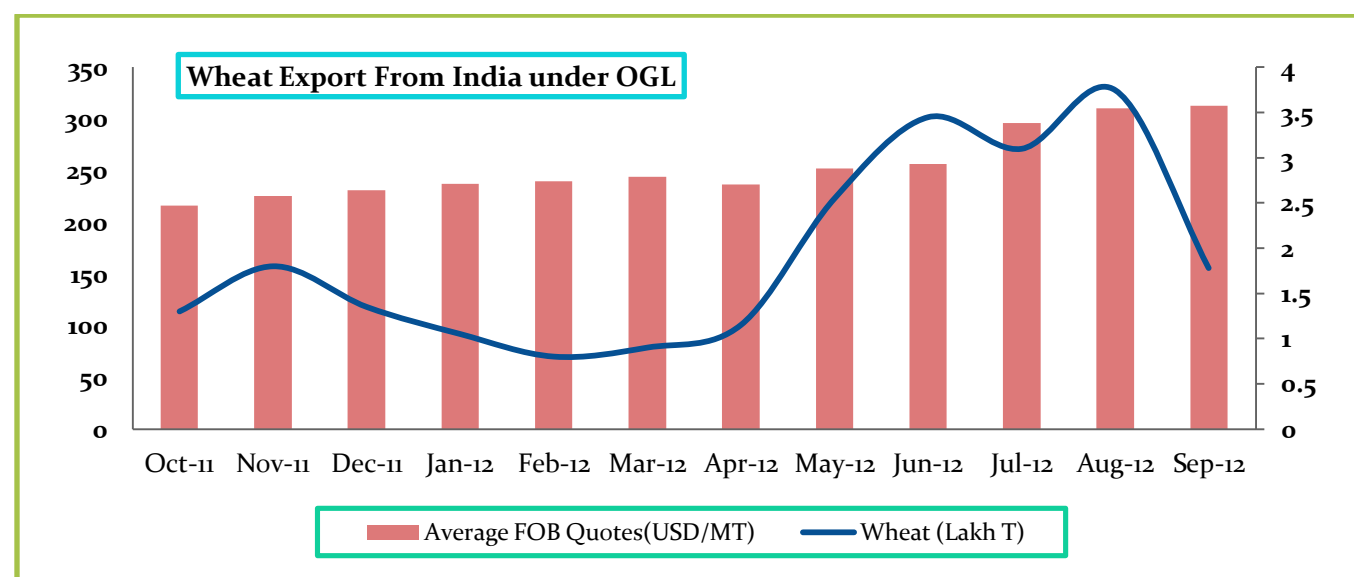
(Figures in Lakh Tonnes)

FOB Value as on 06.10.12 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Bareilly	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15250	14000	14000	14500	14300	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	1000	1900	1350	1650	1200	0
Indian FOB (Rs/MT)	16250	15500	16400	16350	16250	14550	18220
Indian FOB (USD/MT)	315	300	318	317	315	282	353
Insurance @ 0.1%	0.31	0.3	0.32	0.32	0.31	0.28	0.35
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	333	318	336	335	333	300	371
INR	51.61	51.61	51.61	51.61	51.61	51.61	51.61
Russian Wheat FOB (USD/MT)	337	337	337	337	337	337	337
Parity on FOB Basis (USD/MT)	22	37	19	20	22	55	-16

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	06 th October, 2012	week ago 29 Sept 12	Month ago 06 Sept 12	Year ago 05 th October 2011	change over previous Year %
Bareilly	1500	1500	1550	1160	22.67
Delhi	1495	1456	1585	1150	23.08
Indore	1455	1433	1603	1078	25.91
Khanna	1596	1591	1596.05	1292.15	19.04
Kota	1500	-	1650	1133	24.47
Kanpur	1400	1425	1570	1093	21.93
Karnal	1481	1543	1609.45	1255	15.26
Rajkot	1500	1517	1575	1085	27.67



Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06.10.2012	29.9.2012	
Delhi	Lawrence Road	Mill Quality	1500	1465	35
	Nazafgarh	Mill Delivery Loose	1420	1410	10
	Narella	Mill Delivery Loose	1420	1440	-20
Gujarat	Rajkot	Mill Delivery	1510	1560	-50
	Ahmedabad	Mill Delivery	1540	1550	-10
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1330	1350	-20
	Indore	Mill Delivery	1450	1475	-25
Rajasthan	Kota	Mill Quality	1470	1450	20
U.P.	Kanpur	Mill Delivery	1425	1450	-25
Punjab	Khanna	Mill Quality Loose	1380	1410	-30
Haryana	Sirsa	Mill Delivery loose	1390	1410	-20
	Hodal	Mill Delivery	1505	1510	-5

Commodity: Wheat
Contract: November

Exchange: NCDEX
Expiry: November 20th, 2012

Wheat (Weekly Chart)



Technical Commentary:

- Market is moving sideward and candlestick chart depicts Consolidation.
- Rise in OI, price and Volume hints towards Long Build up.
- Oscillator RSI is in neutral zone.
- Prices closed above 9 days EMA and 18 days EMA.

Strategy: Buy from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	November	1420	1440	1512	1575	1600
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	November	Buy	1490-1495	1550	1566	1450

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

International Market Updates:

We expect wheat prices to go up in the international market at least by \$20 to \$25 per metric T from current level and it should trade in the range of \$340 to 375 per T in Nov and Dec on back of lower IGC production estimate, likely the lowest carryout stock in the US and dwindling exportable surplus in black sea regions. World wheat crop is still vulnerable to rough weather and any shortfall in major producing countries may spike price beyond expectation. Current global market fundamental is strong and firmness seems very much in sight in the medium term.

Food prices are on the rise again according to a Food and Agriculture Organization (FAO) report issued recently. The index comprised of 55 food items rose 3 points to 215.8 in September after two months of price stabilization. The 20-year index average is 131.15 but the latest September figure is still below the February 2011 peak of 238.00 which followed extreme drought conditions in the U.S. Midwestern region and Russia.

World production for 2012-13 has been cut by further 5 million tonnes to 657 million, a 6% year-on-year decline and global use is expected to fall by 2%, to 679 million tonnes, as high prices reduce feed demand. The projection for end-2012-13 world stocks is down by 5 million tonnes from before, to 175million, with the outlook for the major exporters becoming increasingly tight. World trade is placed a little lower this month, at 132 million tonnes, down 13m year-on-year on reduced trade in feed wheat.

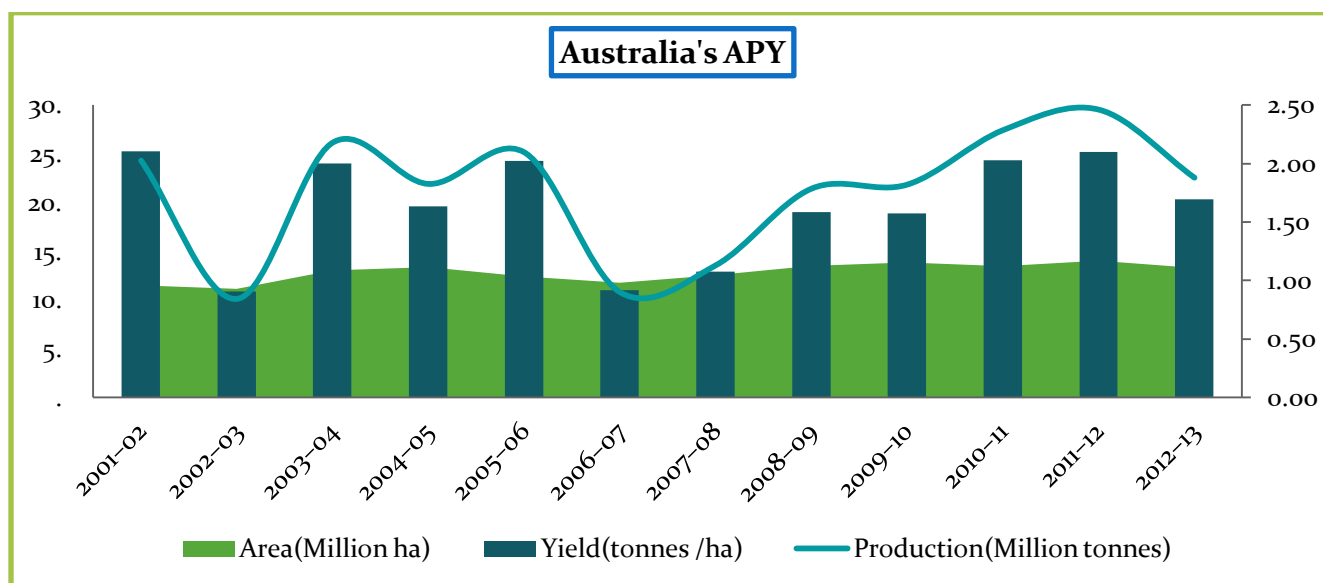
China will lift the government purchasing price for wheat in 2013 by about 10 percent from this year. This move is intended to stimulate grain production, the National Development and Reform Commission (NDRC) said in a statement. The minimum purchase price for wheat in the country's major wheat-producing areas will be increased to 112 yuan (\$17.67) per 50 kg, up 10 yuan from the 2012 price.

Egypt has bought 300,000 tonnes of wheat from France and Romania for December shipment at FOB basis. 60,000 tonnes of French wheat from Toepfer at \$346.93/tonne FOB, 60,000 tonnes of French wheat from Louis Dreyfus at \$347.36/tonne FOB, 60,000 tonnes of French wheat from Cargill at \$347.36/tonne FOB, 60,000 tonnes of Romanian wheat from Toepfer at \$349.93/tonne FOB, 60,000 tonnes of Romanian wheat from Ameropa at \$349.93/tonne FOB.

IGC Wheat Balance Sheet (As on 29.09.2012)

(Quantity in MMT)

IGC/29.09.12	2007-08	2008-09	2009-10	2010-11	2011-12 Estimated	Million T 23.08.2012	Projection for 2012-13 29.09.2012
Wheat							
Production	607	685	679	653	696	662	657
Trade	110	137	128	126	145	133	132
Consumptions	603	645	653	659	691	679	679
Carryover stocks	132	173	199	193	197	180	175
Y-O-Y change	5	41	26	-6	4	-	-22
Major Exporters	47	69	78	72	70	54	51



Indicative FOB Quotes:

	Variety	% Change over Prev. Year	02.10.12	Week Ago 25.09.12	Month Ago (September)	3 Months Ago (July)	Year Ago (Oct.)
USA (Chicago)	RTRS 2srw	22.41	345.40	350.04	338.60	292.50	268
France	FCW3	15.30	335.30	336.70	335.60	295.00	284
United Kingdom	Feed wheat	15.14	322.90	329.60	323.30	285.00	274
Australia	CWRS	30.91	351.72	349.00	344.42	305.33	243
Russia	SRW	22.26	337.00	335.00	307.00	298.00	262
Canada(Spot)	Q2FW	22.90	304.80	306.00	305.30	260.80	235
Ukraine	SRW	22.46	334.00	332.50	309.50	295.00	259
Argentina	SRW	21.60	338.00	345.00	340	285	265

FOB quotes in the global market has been unstable due to weather related concern, lower Russian and Australian production estimates and conflicting reports on production fronts in other major wheat growing countries. . Global wheat FOB quotes may hover in the range of \$303 to \$355 per MT in the near and medium term

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 05.10.12							
CONTRACT MONTH	5 Oct 2012	Week ago (28 Sept 2012)	1 Month ago(5 Sept)	3 Month ago(5 July)	6 Month ago(5 Apr)	1 Year ago	% Change over previous year
Dec-12	315.05	331.58	318.81	311.19	250.11	271.05	13.97
Mar-12	319.18	335.16	323.50	314.31	256.35	277.11	13.18
May-13	319.45	332.96	324.05	313.30	261.68	278.95	12.68
July-13	308.71	318.54	312.84	310.18	262.78	271.69	11.99
Sept-13	310.09	319.18	313.21	310.36	266.82	276.84	10.72
Dec-13	314.13	321.38	315.41	314.04	272.15	279.78	10.94

CBOT December Future Contract Chart:



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