

Domestic Market Updates:

Cash wheat market traded steady on the back of normal supply demand side. Tepid trading activities and continuous holidays helped market to trade at previous level. Supply in domestic market is expected to increase from next week as govt. is keen to offload more wheat in domestic market. So downward pressure is expected now.

Sowing of wheat is about to start in major wheat growing regions and farmers have almost completed field preparation. Temperature is falling down and adequate moisture level in the field will enhance sowing activities soon.

Cash wheat market continued to rule steady to slightly weak on the back of sluggish demand at various centers due to festive holidays. Market participants are waiting for govt's announcement for allocation and quantity November onward through various channels.

Any uptrend from current level is unlikely as more wheat from central pool stock is expected November onward amid better sowing condition in major wheat producing states with adequate moisture level in the field.

Area under wheat crop is likely to cross last year's level of almost 296 million ha. to 29 million ha. as guar field in Rajasthan may be shifted to wheat to a large extent. Better price realization at the time of sowing too encourage farmers to go for wheat planting supported by assured purchase on MSP in major producing states. However, major deciding factor for the final size of the crop would be temperature in March and April. Higher temperature might affect yield of wheat crop.

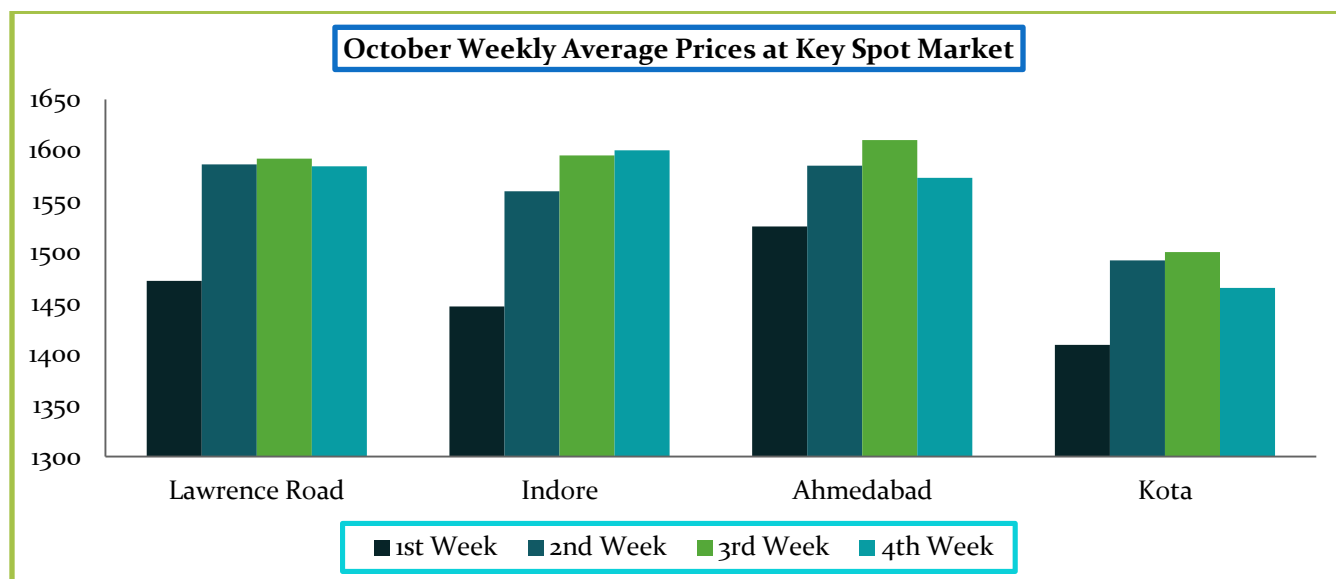
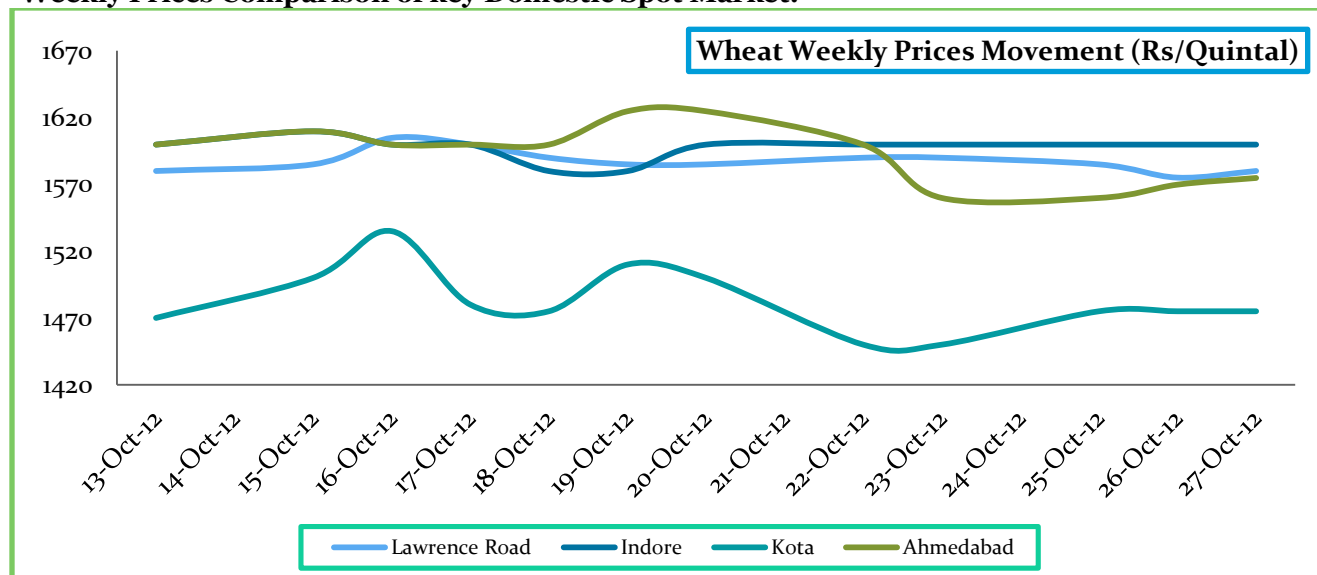
Farmers in major wheat growing areas are engaged in field preparation and sowing will start in full swing at the end of this month. Weather remains favourable for wheat sowing and ample moisture level in field will ensure good crop this year too.

Weather Watch:

The Southwest monsoon further withdrew from remaining parts of Uttar Pradesh, Madhya Pradesh, Gujarat, north Arabian Sea, most parts of Bihar and Vidarbha, some parts of Jharkhand, Chhattisgarh, Marathawada, Madhya Maharashtra, Konkan & Goa and central Arabian Sea on 12th October; from remaining parts of Bihar, Jharkhand, Chhattisgarh, Maharashtra, some parts of West Bengal & Sikkim, Odisha, Telangana, North Interior Karnataka and entire Goa and some more parts of central Arabian Sea on 15th and from remaining parts of West Bengal & Sikkim, Odisha, entire northeastern states, most parts of north Bay of Bengal, some parts of Coastal Andhra Pradesh and some more parts of Telangana on 16th Oct 2012.

Season (June to September) rainfall			
Region	LPA (mm)	Actual Rainfall for 2012 SW Monsoon Season	
		Rainfall (mm)	Rainfall (% of LPA)
All India	887.5	819.8	92
Northwest India	615	569.3	93
Central India	975.5	935.5	96
Northeast India	1438.3	1275.3	89
South Peninsula	715.5	643.9	90

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 27.10.12 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15750	14700	14900	16000	16250	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)	16750	16350	17300	17950	18300	14550	18220
Indian FOB (USD/MT)	311	304	322	334	340	270	339
Insurance @ 0.1%	0.31	0.30	0.32	0.33	0.34	0.27	0.34
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	329	322	340	352	358	288	357
INR	53.8	53.8	53.8	53.8	53.8	53.8	53.8
Russian Wheat FOB (USD/MT)	343	343	343	343	343	343	343
Parity on FOB Basis (USD/MT)	32	39	21	9	3	73	4

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	27 th Oct, 2012(Today)	week ago 20 Oct 12	Month ago 27 Sept 12	Year ago 27 Oct 2011	change over previous Year %
Bareilly	-	1550	1550	-	-
Delhi	1576	1579	1475	-	-
Indore	-	1558	1460	-	-
Khanna	1621	1524	1618	1300.45	19.77
Kota	1555	1575	1550	-	-
Kanpur	-	1500	1440	-	-
Karnal	1500	1500	1475	1259	16.07
Rajkot	1545	1525	1555	-	-

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			27.10.2012	20.10.2012	
	Lawrence Road	Mill Quality	1575	1585	-10
	Nazafgarh	Mill Delivery Loose	1520	1525	-5
	Narella	Mill Delivery Loose	1510	1550	-40
Gujarat	Rajkot	Mill Delivery	1575	1580	-5
	Ahmedabad	Mill Delivery	1630	1625	5

M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	-	1600	-
	Indore	Mill Delivery	1600	1600	Unch
Rajasthan	Kota	Mill Quality	1475	1500	-25
U.P.	Kanpur	Mill Delivery	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	1410	1450	-40
Haryana	Sirsa	Mill Delivery loose	1500	1480	20

Commodity: Wheat
Contract: November

Exchange: NCDEX
Expiry: November 20th, 2012

Wheat (Weekly Chart)

O 1540.00 H 1549.00 L 1525.00 C 1536.00 V 3,580 I 17,600 -15 -0.97%

EMA(9) 1522.1 (18) 1483.1



Technical Commentary:

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

Strategy: Sell from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	November	-	1510	1539	1582	1595
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	November	Sell	Below 1560	1530	1522	1580

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

International Market Updates:

Winter wheat growing Southern region of Russia is suffering from lack of moisture in soil. Around one-third sown area in this region lacks water. Crops are expected to complete the first growing stage by about November 25, and then it will be possible for preliminary estimates of potential winter-grain losses.

Wheat sentiment remains generally bullish, underpinned by evidence of very thin export supplies in the Black Sea region. Lower yields in the EU and Kazakhstan, as well as deteriorating crop prospects in Argentina and Australia, reduce the forecast for world production to 655 million tonnes from 657 million tonnes.

Global feed use is forecast to fall sharply, and world carryover stocks are placed 3 million tonnes lower than before, at 172m, with those in the major exporters at a five-year low. Export forecasts have been cut for the US and Australia in favour of bigger shipments by Russia and India.

Wheat production in Australia, the world's second-biggest shipper, will probably decline 28 percent to the lowest level in five years, missing a government estimate, after dry weather reduced yields. The harvest will total 21.2 million metric tons in the 2012-2013 marketing year, according to the median of estimates from four analysts and two traders compiled by Bloomberg. That compares with 23.25 million tons in a survey last month and an official forecast of 22.5 million tons. The crop was a record 29.5 million tons last year. Ukrainian traders are not purchasing fresh wheat as exportable surplus are almost exhausted, a ban is very likely on wheat export.

Global wheat market gains further on increased concern on weather, crop prospects and possibility of negligible supply from black sea regions Nov. onward. Lower production in Australia, US and Argentina is supportive to the global wheat market fundamentals. Bullish outlook for maize too supports wheat market. Demand from feed industries has increased and we expect further gains to continue in the global wheat market.

Argentina crop sown area is around 3.7 million hectares which is 20% less as compared to previous year's area. It is expected that it will produce 11.5 million tonnes of wheat this year. It clearly indicates that major importers cannot rely fully on Argentina. Higher grade wheat supply from Argentina will decrease considerably.

IGC Wheat Balance Sheet (As on 25.10.2012)

(Quantity in MMT)

IGC/25.10.12	2007-08	2008-09	2009-10	2010-11	2011-12 Estimated	Million T	Projection for 2012-13
Wheat						29.09.2012	25.10.2012
Production	607	685	679	653	694	657	655
Trade	110	137	128	126	145	132	132
Consumptions	603	645	652	659	692	679	679
Carryover stocks	132	173	200	194	196	175	172
Y-O-Y change	5	41	27	-6	-6	-22	-24
Major Exporters	47	69	79	73	73	51	50

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	25.10.12	Week Ago 19.10.12	Month Ago (September)	3 Months Ago (July)	Year Ago (Oct.)
USA (Chicago)	RTRS 2srw	22.72	343.00	343.70	350.00	344.60	268.00
France	FCW3	16.74	339.20	339.80	336.40	323.30	284.00
United Kingdom	Feed wheat	15.38	337.40	324.10	330.00	302.80	274.00
Australia	CWRS	29.76	345.03	341.97	349.00	344.00	243.00
Russia	SRW	22.94	344.00	342.00	335.00	320.00	242.00
Canada(Spot)	Q2FW	20.77	300.70	302.30	304.40	293.00	247.00
Ukraine	SRW	28.59	342.50	341.00	332.50	317.50	241.00
Argentina	SRW	26.47	340.00	345.00	340.00	325.00	245.00

FOB quotes in the global market has been unstable due to weather related concern, lower Russian and Australian production estimates, Lower carry out stocks as per USDA reports and conflicting reports on production fronts in other major wheat growing countries. Ban from Ukraine on wheat export too has weighted on global prices. Global wheat FOB quotes may hover in the range of \$330 to \$350 per MT in the near and medium term

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 26.10.12(USD/T)							
CONTRACT MONTH	Today (26 Oct 2012)	Week ago (19 Oct 2012)	1 Month ago(26 Sept)	3 Month ago(26 July)	6 Month ago(26 Apr)	1 Year ago	% Change over previous year
Dec-12	317.34	320.56	319.36	329.65	246.80	269.12	15.20
Mar-13	322.76	324.69	323.77	330.75	252.95	275.09	14.77
May-13	325.15	325.79	324.69	324.23	256.35	277.85	14.55
July-13	317.71	311.65	310.82	297.87	257.00	272.06	14.37
Sept-13	320.92	313.02	310.73	296.31	260.49	278.49	13.22
Dec-13	323.50	316.06	314.49	299.89	266.73	282.62	12.63

CBOT December Future Contract Chart:



International Weather update:

Australia -Following last week's beneficial rains, hot, dry weather overspread most of southern and eastern Australia, aiding winter wheat maturation in Queensland but reducing the yield potential of filling winter grains.

Argentina- Unseasonable wetness persisted across a large section of central Argentina, maintaining abundant levels of moisture for winter grains and summer crops but keeping some areas unfavorably wet. Rainfall totaled more than 50 mm from La Pampa northeastward through Santa Fe and Entre Rios, with amounts in excess of 100 mm on northeastern La Pampa.

Kazakhstan - Kazakhstan's spring wheat harvesting campaign was virtually completed as of the end of September.

Ukraine - Dryness also remained a concern for winter wheat in southeastern Ukraine — including Crimea — due to a lack of rain since the end of August.

Russia —Increasingly warm weather (up to 7°C above normal) reduced soil moisture in key winter wheat areas of the Southern District.

USA - Producers had sown 81 percent of the 2013 winter wheat crop by week's end, 2 percentage points ahead of last year and slightly ahead of the 5-year average. In Texas, seeding was in full swing as producers took advantage of generally mild, dry weather during the week. Dry, windy, warm weather in Kansas afforded producers in many locations ample time to finish seeding their fields during the week. Nationwide, emergence had advanced to 49 percent complete by October 21, two percentage points behind last year and 7 points behind the 5-year average.

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