

Domestic Market Updates:

Wheat prices are ruling higher in cash market due to delay in release for next quarter for open market and further delay may support market once again. Market expects additional release as supply and demand side is not balanced. Stock with farmers and stockiests is at negligible level at this point of time.

Higher MSP last year encouraged farmers to sell more to the govt.'s agencies and private traders purchased lower quantity due to higher prices. Despite higher production cash market started to feel lower supply pressure just after the procurement ended and wheat prices started moving up July onward. Export through private channels to encouraged prices to firm up as they procured maximum wheat from cash market including farmers/traders too.

Release from central pool could not fulfill the existing demands in cash market. With this background now ample release for OMSS is the need of the hour and for checking spiraling prices. Sowing starts in various states in favourable weather conditions and we expect higher area coverage this year too despite unchanged MSP.

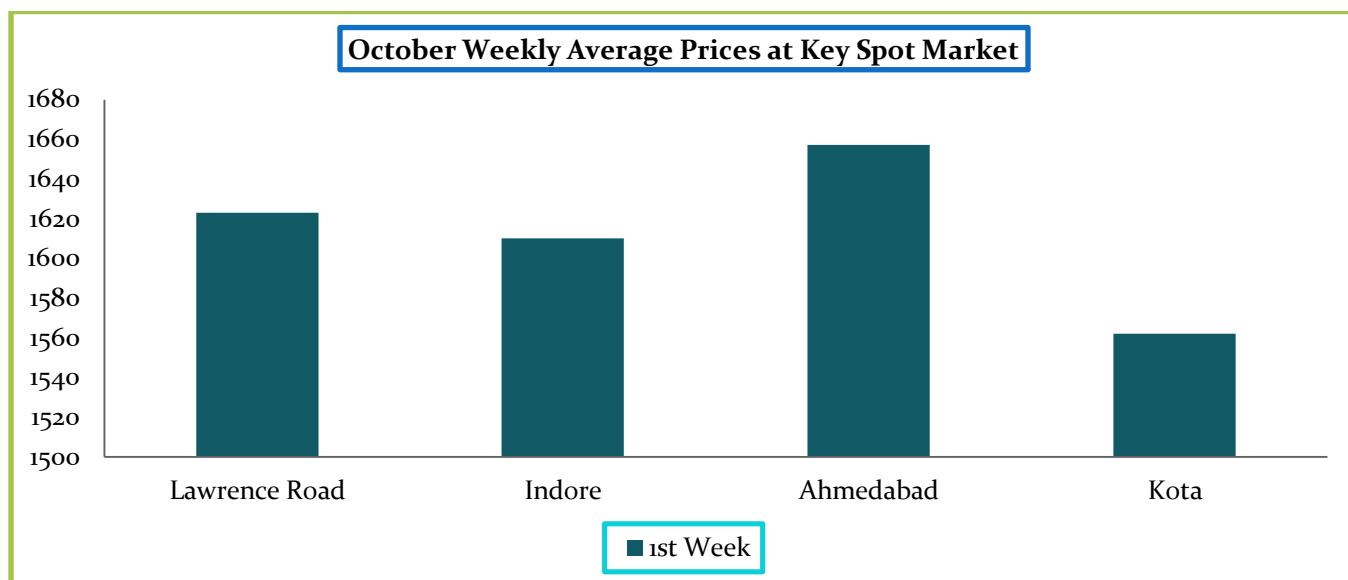
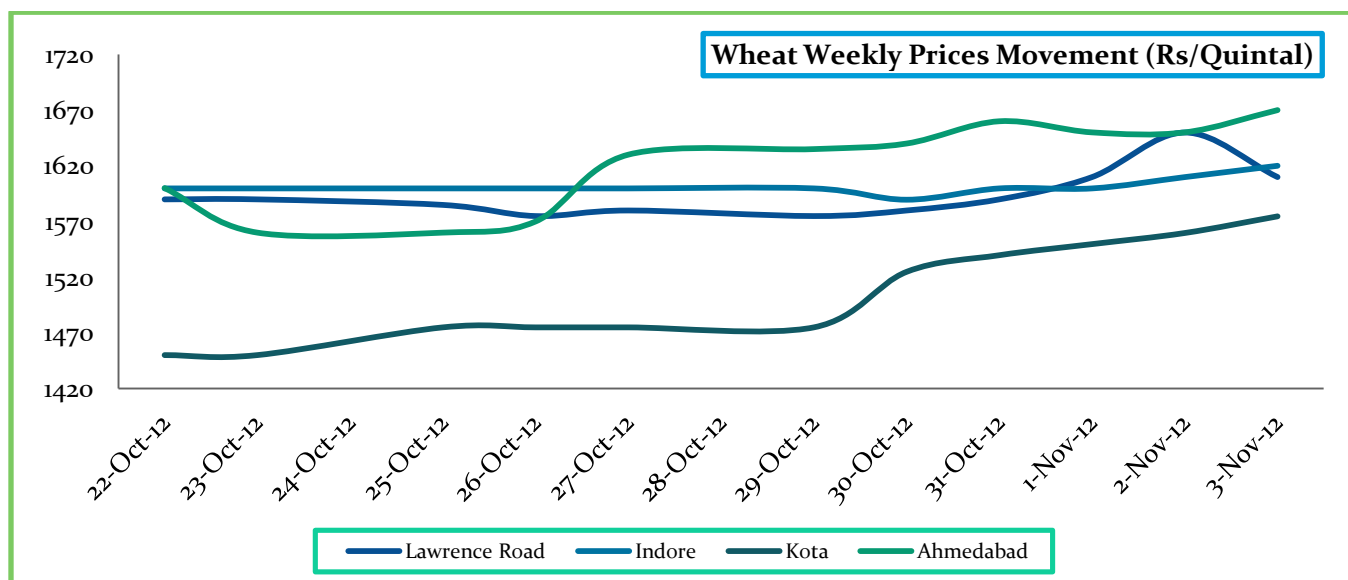
At export front wheat export from India is likely to increase this year due to cheaper and higher availability here this year. Wheat export has picked pace in last few days from both private and public channels. India is expected to export 4.5 million Tonnes wheat in current marketing year through private and public channels. Higher price at the time of sowing too encourage them to go for same coverage area. We expect over 90 million tonnes production this season too based on farmers preliminary feedback.

Rajasthan government has set the target of 2800 thousand hectares for Rabi Wheat 2012-13. Which is more than five year average sown area but lesser than actual area sown last year which was 2932 thousand hectares. It is expected that actual sown area this year might be more than targeted area due to higher prices and increased area coverage for Guar.

Weather Watch:

- Fairly widespread rainfall occurred at one or two places over Andaman & Nicobar Islands, Arunachal Pradesh, Tamilnadu & Puducherry, Kerala and Lakshadweep during the week.
- Scattered rainfall occurred at a few places over Tamilnadu & Puducherry and at one or two places over Rayalaseema, Coastal Karnataka, Kerala and Lakshadweep during the week.
- Isolated rainfall occurred at many places over Madhya Maharashtra, Coastal Andhra Pradesh, South Interior Karnataka and Kerala; at a few places over Marathawada and at one or two places over Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Sub-Himalayan West Bengal & Sikkim, Jharkhand, Uttarakhand, Jammu & Kashmir, Gujarat region, Vidarbha, Chhattisgarh, Telangana, Rayalaseema, Tamilnadu & Puducherry, coastal & north interior Karnataka and Lakshadweep during the week.
- Weather was mainly dry over the rest region of the country.

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 3.11.12 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16500	15700	15200	16200	16500	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)	17500	17350	17600	18150	18550	14550	18220
Indian FOB (USD/MT)	326	323	328	338	346	271	340
Insurance @ 0.1%	0.33	0.32	0.33	0.34	0.35	0.27	0.34
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	344	341	346	356	364	289	358
INR	53.66	53.66	53.66	53.66	53.66	53.66	53.66
Russian Wheat FOB (USD/MT)	344	344	344	344	344	344	344
Parity on FOB Basis (USD/MT)	18	21	16	6	-2	73	4

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	3 rd Nov, 2012(Today)	week ago 27 Oct 12	Month ago 3 Oct 12	Year ago 3 Nov 2011	change over previous Year %
Bareilly	1550	-	1500	1160	25.16
Delhi	1603	1576	1460	1174	26.76
Indore	1600	-	1438	1149	28.19
Khanna	1635	1621	1591	1312	19.76
Kota	1590	1555	1475	1155	27.36
Kanpur	1505	-	1425	1070	28.90
Karnal	1550	1500	1500	1314.25	15.21
Rajkot	1571	1545	1489	1103	29.79

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			03.11.2012	27.10.2012	
	Lawrence Road	Mill Quality	1610	1575	35
	Nazafgarh	Mill Delivery Loose	1550	1520	30
	Narella	Mill Delivery Loose	1560	1510	50
Gujarat	Rajkot	Mill Delivery	1650	1575	75
	Ahmedabad	Mill Delivery	1670	1630	40

M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1700	-	-
	Indore	Mill Delivery	1620	1600	20
Rajasthan	Kota	Mill Quality	1575	1475	100
U.P.	Kanpur	Mill Delivery	1500	1500	Unch
Punjab	Khanna	Mill Quality Loose	1450	1410	40
Haryana	Sirsa	Mill Delivery loose	1525	1500	25

Commodity: Wheat
Contract: December

Exchange: NCDEX
Expiry: December 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 buildup
- Oscillator RSI is in neutral zone.
- Prices closed above 9 days EMA and 18 days EMA.
- Last Candlestick Doji shows indecision among the market participants.

Strategy: Sell from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	December	-	1510	1557	1582	1595
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	December	Sell	Below 1567	1545	1535	1580

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

International Market Updates:

Wheat futures (CBOT and KCBT) are trading higher, supported by a lower-than-expected rating of the U.S. winter-wheat crop from government analysts. Chicago Board of Trade futures for December delivery are up 5 cents, or 0.6%, at \$8.69 1/2 a bushel. Kansas City Board of Trade December wheat is up 4 1/2 cents, or 0.5%, at \$9.08 1/2 a bushel. MGEX December wheat is up 3 cents.

According to the ministry, Ukraine has exported 4.06 million tonnes of wheat so far this season, including 1.44 million tonnes in October and 1.32 million tonnes in September. It is expected that Ukraine might export 5-5.5 million tonnes before enforcing formal ban.

Egypt has bought 300,000 tonnes of wheat from France, Romania and Russia. 60,000 tonnes of Romanian wheat from Ameropa at USD 355.88/T CNF, 120,000 tonnes of Russian wheat from Glencore at USD 356.50/T CNF, 60,000 tonnes of French wheat from Bunge at USD 353.61/T CNF Basis. Iran has bought 50000 MT of standard milling wheat from Germany for November delivery.

The harvest of Wheat in Australia has shown good quality of wheat but lower yields. Western Australia is expected to produce 5.5-6.5 million tonnes of wheat as compared to 11 million tonnes last year. Although Australian government has pegged its total production at 22.5 million tonnes but it is very likely that it will be around 21.5 million tonnes.

Global wheat production is expected to decline to 658.73 MMT against 695.69 MMT estimated last year. Weather remains key factor to influence wheat prices. Further shortfall in any region may drive prices higher than current expectation.

Global wheat consumption for 2012-13 has been lower by 2.4 MMT to 678.2 MMT due to higher feed and residual use in the US, Canada, EU-27 amid reduced crop size in major wheat producing countries. Global wheat export for 2012-13 has been lowered almost by 4 million tonnes to 130.87 MMT with lower US and Australian export by one million T each. Under current scenario wheat prices are unlikely to trade lower in the short and medium term. Lower production estimate and export unavailability from black sea region will help wheat to trade higher.

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	01.11.12	Week Ago 25.10.12	Month Ago (October)	3 Months Ago (Aug)	Year Ago (Nov)
USA (Chicago)	RTRS 2srw	21.91	343.20	343.00	351.12	334.90	268.00
France	FCW3	17.85	345.70	339.20	339.10	317.40	284.00
United Kingdom	Feed wheat	19.67	341.10	337.40	324.20	294.30	274.00
Australia	CWRS	29.04	342.44	345.03	346.05	350.42	243.00
Russia	SRW	22.38	344.00	342.00	335.00	307.00	267.00
Canada(Spot)	Q2FW	17.86	300.70	302.30	305.30	294.50	247.00
Ukraine	SRW	22.63	342.50	341.00	332.50	304.00	265.00
Argentina	SRW	10.95	342.50	332.00	338.00	310.00	305.00

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: 2.11.12(USD/T)							
CONTRACT MONTH	2 Nov 2012	Week ago (26 Oct 2012)	1 Month ago(2 Oct)	3 Month ago(2 Aug)	6 Month ago(2 May)	1 Year ago	% Change over previous year
Dec-12	317.62	317.34	320.19	323.13	263.24	272.79	14.11
Mar-13	322.76	322.76	324.41	324.97	249.01	279.50	13.40
May-13	325.33	325.15	324.97	316.88	252.31	280.60	13.75
July-13	321.48	317.71	311.83	303.84	254.52	273.25	15.00
Sept-13	324.41	320.92	313.12	304.12	259.48	280.05	13.67
Dec-13	326.89	323.50	316.61	324.60	264.25	283.72	13.21

CBOT December Future Contract Chart:



International Weather update:

Australia - In the wheat belt, mostly dry weather persisted across southern and eastern Australia. The dry weather favored winter wheat maturation and harvesting in the north but remained unfavorable for filling winter grains in the south.

Argentina- Lighter showers (2-25 mm) prevailed across the southern wheat belt (southern growing areas of la pampa and Buenos Aires), fostering wheat and barley development after last week's heavier rain

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 —Rain is needed immediately to ensure winter wheat is adequately established before winter's bitter cold settles over the region.

USA - By week's end, 88 percent of the 2013 winter wheat crop was sown. This was 2 percentage points ahead of last year and 3 points ahead of the 5-year average. In Texas, winter wheat seeding was ongoing in many regions, despite the need for additional moisture to promote germination in some locations. Nationally, 63 percent of the winter wheat crop had emerged by October 28, slightly behind last year and 4 percentage points behind the 5-year average. The most significant delay in emergence was evident in South Dakota, where topsoil and subsoil moisture levels were rated 84 and 92 percent short to very short, respectively. Overall, 40 percent of the winter wheat crop was reported in good to excellent condition, compared with 46 percent at the same time last year.

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