

### Domestic Market Updates:

**As government has announced 65 lakh tonnes of wheat release under OMSS scheme**, it is expected that this will bring price down by at least Rs100/ quintal. In recent times wheat prices have been high as market felt the crunch in supply.

**Rajasthan government has set a target of 2800** Thousand Hectares for Rabi wheat sowing which is lower than last year's actual sown area 2935 thousand hectares. So far wheat has been sown in 46000 hectares.

**Maharashtra has set sown area target at 10.5 lakh** hectares against the normal area 9.67 lakh hectares and so far wheat has been sown in 48,300 hectares.

**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.

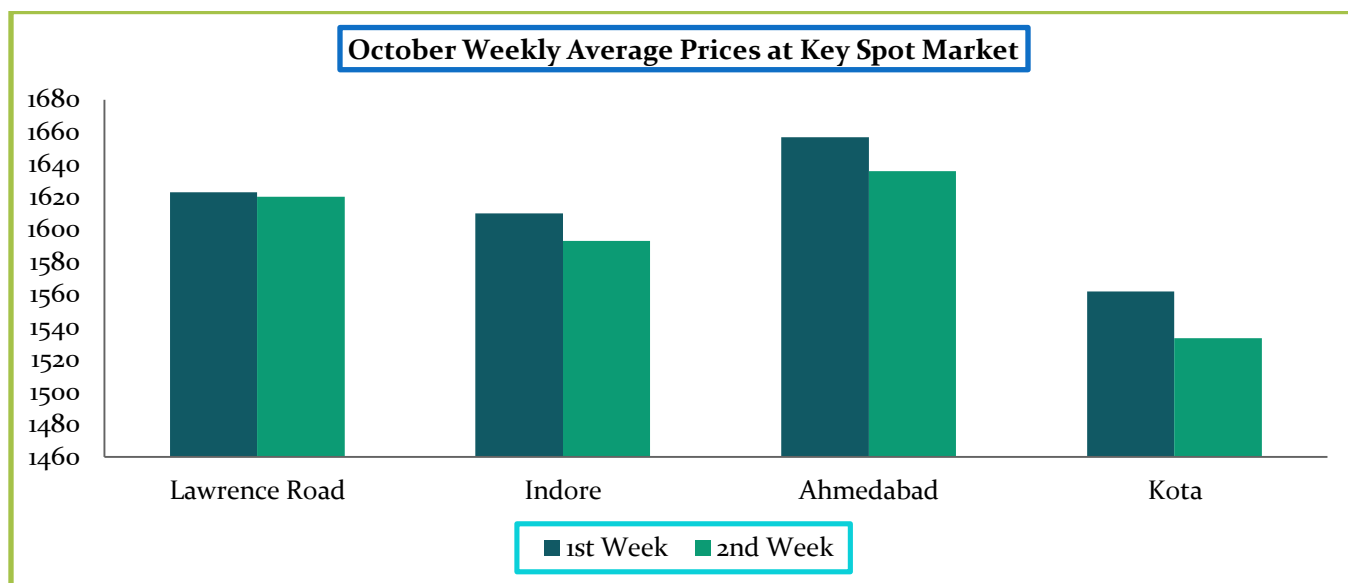
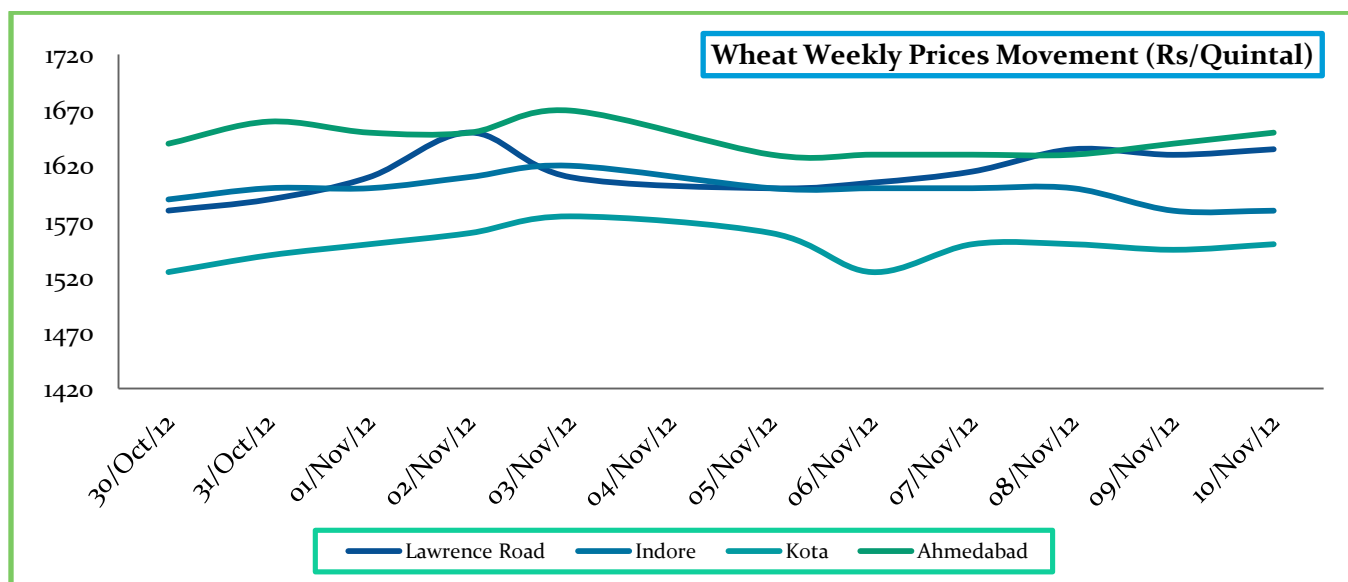
**Major wheat producing states like Punjab, Haryana, Rajasthan, Bihar**, Uttar Pradesh and M.P. are expected to maintain area at previous year's level. As per preliminary estimates and sowing intention of farmers wheat production is expected to be over 91 million tonne in normal weather condition. Situation would be clearer with ongoing sowing progress. We expect overall area to be higher than last year (296 lakh ha.).

**As stock is at higher level (40.57 million T as on 1st Nov.2012) against** the required quantity 112 million T on January, 2013. If govt. continues to offload 30 lakh T wheat per month on an average for next five month starting from Nov., the total stock at March end would be 255 .75 lakh T that will be almost 55 lakh T higher than last year's carry out. We assume 15 to 20 lakh T more wheat export in the remaining five months up to March 2013. As of now almost 3 million T wheat has been shipped out through Public and private channels.

**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.

### Weather Watch:

- Tropical Cyclone Nilam formed off the southeastern coast of India and moved ashore early in the week. Nilam brought over 300 mm of rain to coastal Tamil Nadu, while its remnants produced heavy (50-300 mm), widespread showers across Karnataka, Andhra Pradesh, and Orissa.
- The unseasonably heavy rainfall delayed fieldwork in the affected areas but provided a significant boost to moisture supplies for rabi rice and groundnuts.
- Warm weather (temperatures averaging 25°C) in northwestern India promoted winter wheat and rapeseed development but increased irrigation requirements.

**Weekly Prices Comparison of key Domestic Spot Market:**


STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.11.2012:	IN STORAGE	IN TRANSIT	TOTAL
RICE	286.99	2.55	289.54
WHEAT	402.30	3.45	405.75
Wheat lying in Mandies	0.00	0.00	0.00
<b>TOTAL</b>	<b>689.29</b>	<b>6.00</b>	<b>695.29</b>
COARSE GRAINS	0.59	0.00	0.59
SUGAR	0.33	0.12	0.45
<b>GRAND TOTAL</b>	<b>690.20</b>	<b>6.12</b>	<b>696.32</b>

(Figures in Lakh Tonnes)

**FOB Value as on 10.11.12 from various destinations at Kandla:**

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16500	15300	15100	15800	17000	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	16950	17500	17750	19050	14550	18220
<b>Indian FOB (USD/MT)</b>	<b>322</b>	<b>312</b>	<b>322</b>	<b>327</b>	<b>351</b>	<b>268</b>	<b>335</b>
Insurance @ 0.1%	0.32	0.31	0.32	0.33	0.35	0.27	0.34
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
<b>CIF (Kandla to Chittagong)</b>	<b>340</b>	<b>330</b>	<b>340</b>	<b>345</b>	<b>369</b>	<b>286</b>	<b>353</b>
INR	54.34	54.34	54.34	54.34	54.34	54.34	54.34
Russian Wheat FOB (USD/MT)	<b>345</b>	<b>345</b>	<b>345</b>	<b>345</b>	<b>345</b>	<b>345</b>	<b>345</b>
Parity on FOB Basis (USD/MT)	<b>23</b>	<b>33</b>	<b>23</b>	<b>18</b>	<b>-6</b>	<b>77</b>	<b>10</b>

**Spot prices of wheat at NCDEX Delivery centers**

NCDEX SPOT	10 <sup>th</sup> Nov, 2012(Today)	week ago 3 Nov 12	Month ago 10 Oct 12	Year ago 10 Nov 2011	change over previous Year %
<b>Bareilly</b>	1580	1550	1600	1165	<b>26.27</b>
<b>Delhi</b>	1633	1603	1593	1200	<b>26.52</b>
<b>Indore</b>	1570	1600	1550	1158	<b>26.24</b>
<b>Khanna</b>	1632	1635	1591	1314	<b>19.49</b>
<b>Kota</b>	1573	1590	1538	1165	<b>25.94</b>
<b>Kanpur</b>	1500	1505	1490	1070	<b>28.67</b>
<b>Karnal</b>	1560	1550	1440	1330	<b>14.74</b>
<b>Rajkot</b>	1570	1571	1513	1147	<b>26.94</b>

**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			<b>10.11.2012</b>	<b>03.11.2012</b>	
	Lawrence Road	Mill Quality	1635	1610	<b>25</b>
	Nazafgarh	Mill Delivery Loose	1560	1550	<b>10</b>
	Narella	Mill Delivery Loose	1570	1560	<b>10</b>
Gujarat	Rajkot	Mill Delivery	1650	1650	<b>Unch</b>
	Ahmedabad	Mill Delivery	1650	1670	<b>-20</b>

M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1625	1700	-75
	Indore	Mill Delivery	1580	1620	-40
Rajasthan	Kota	Mill Quality	1550	1575	-25
U.P.	Kanpur	Mill Delivery	1525	1500	25
Punjab	Khanna	Mill Quality Loose	1450	1450	Unch
Haryana	Sirsa	Mill Delivery loose	1550	1525	25

Commodity: Wheat  
Contract: December

Exchange: NCDEX  
Expiry: December 20<sup>th</sup>, 2012



### Technical Commentary:

- Market is moving sideward and candlestick chart depicts Consolidation.
- Rise in OI and fall in price hints towards Long buildup
- 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	December	1531	1540	1588	1614	1636
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	December	Sell	Below 1590	1560	1546	1610

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

### International Market Updates:

**Latest USDA report expects 10 million tonnes of wheat export from Russia as compared to** last estimate of 9 million tonnes in October. From July to October Russia has exported 8.2 million tonnes.

**Ukraine Grain Association has not ruled out banning on wheat export by** beginning of December 2012, although earlier then ban was imposed and later revoked but this time Ukraine grain association hopes will be official.

**Recent heavy rains could prevent some wheat from being sown** in France and Britain. In France, the EU's top grain producer and exporter, a very wet October has hampered sowing of winter wheat. Average rainfall in France last month was 20 percent above normal levels and the northwest of the country was among those regions that saw precipitation between 50 and 100 percent above average.

**Australian wheat harvest has been affected the rains and analyst sees lower** production compared to last year at 20.47 million tonnes and its export may fall to 3 year low level at 16.85 million tonnes.

**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.

**The USDA forecast U.S. wheat supplies at 704 million bushels, up 7.6%** from its estimate last month. Projected U.S. wheat ending stocks were raised 50 million bushels from October's forecast as a result of a reduction in projected exports.

**Winter crop of Russia is better than last year but it is below** than average crop condition. Seeds have not sprouted due to drought of September and October.

**US and EU Sanction hit Iran has imported wheat from 7 countries.** According to the Iran Deputy Minister for Industry and Trade, Iran has purchased 50,000 tonnes from Germany and 359,900 tonnes from Russia between July and September 2012.

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	9.11.12	Week Ago 2.11.12	Month Ago (October)	3 Months Ago (Aug)	Year Ago (Nov)
<b>USA (Chicago)</b>	RTRS 2srw	<b>25.41</b>	359.30	344.30	346.10	333.10	268.00
<b>France</b>	FCW3	<b>19.84</b>	354.30	345.40	337.00	329.00	284.00
<b>United Kingdom</b>	Feed wheat	<b>22.95</b>	355.60	343.00	323.30	306.00	274.00
<b>Australia</b>	CWRS	<b>30.00</b>	347.14	341.43	347.11	354.00	243.00
<b>Russia</b>	SRW	<b>29.62</b>	345.00	344.00	340.00	307.00	242.80
<b>Canada(Spot)</b>	Q2FW	<b>17.47</b>	299.30	300.20	306.70	305.90	247.00
<b>Ukraine</b>	SRW	<b>29.64</b>	342.50	342.50	337.50	304.00	241.00
<b>Argentina</b>	SRW	<b>26.09</b>	345.00	342.50	340.00	340.00	255.00

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 Global wheat FOB quotes may hover in the range of \$340 to \$360 per MT in the near and medium term. However the revoked ban on Ukrainian wheat export may help prices to consolidate this week.

## CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 9.11.12(USD/T)							
CONTRACT MONTH	09 Nov 2012	Week ago (2 Nov 2012)	1 Month ago(9 Oct)	3 Month ago(9 Aug)	6 Month ago(9 May)	1 Year ago(9 Nov)	% Change over previous year
Dec-12	325.70	317.62	317.53	340.58	234.77	271.05	<b>16.78</b>
Mar-13	331.21	322.76	321.75	341.68	243.04	277.39	<b>16.25</b>
May-13	333.60	325.33	322.03	333.60	246.71	278.21	<b>16.60</b>
July-13	326.43	321.48	309.72	315.05	249.46	271.23	<b>16.91</b>
Sept-13	329.74	324.41	311.10	314.77	253.60	276.38	<b>16.18</b>
Dec-13	331.67	326.89	314.77	318.17	260.49	280.05	<b>15.56</b>

## CBOT December Future Contract Chart:



**International Weather update:**

**Australia** - Widespread showers (5-30 mm, locally near 50 mm) in southern Queensland provided a needed boost in topsoil moisture for germinating to emerging summer crops but slowed winter wheat dry down and harvesting. Temperatures in southern Queensland, northern New South

**Argentina**- Chronic wetness sustained planting delays in key summer grain and oilseed areas of central Argentina. Rainfall totaled 25 to 100 mm across a broad area spanning La Pampa, northern Buenos Aires, and southern farming areas of Cordoba, Santa Fe, and Entre Rios.

**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 had yet to arrive in Russia's Southern District, where autumn drought continued to maintain poor prospects for winter wheat emergence.

**USA** - Producers had seeded 92 percent of the 2013 winter wheat crop by November 4, on par with Last year but 2 percentage points ahead of the 5-year average. Unfavorably dry conditions persisted in Kansas, leaving many recently sown fields in need of increased moisture for proper seed germination and crop establishment. Nationally, 73 percent of the crop had emerged by week's end, on par with last year but slightly behind the 5-year average. In Texas, irrigation was active in some areas; however, dry land acreage was beginning to show signs of drought stress. Overall, 39 percent of the winter wheat crop was reported in good to excellent condition, down slightly from last week and 10 percentage points below the same time last year.

**DISCLAIMER**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2005 Indian Agribusiness Systems Pvt. Ltd.