

Domestic Market Updates:

Wheat market trades higher on slow pace of sowing, continued demand for wheat products and rumors relating to price hike for govt.'s stock. Decision on price hike is still under consideration and it is unlikely to be raised at a time when wheat prices rule higher and govt. is under pressure to cool spiraling prices down

According to PIB, Government of India, Wheat has been has sown in 21.83 lakh hectares as compared to 27.99 Lakh hectares at the same time last year.

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 64,593 hectares, which is 6.7% of normal Area.

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 71,100 hectares.

The area sown under wheat shrunk by 18% to 4.96 million hectares so far in this rabi season compared to the previous season, latest data from agriculture ministry said. Wheat was sown in 6.03 million hectares till November 16 in the previous rabi season. Less area under wheat has been reported from Haryana, Uttar Pradesh, Uttarakhand, Gujarat, Karnataka, Rajasthan and Maharashtra.

Allocation of 65 lakh tonnes of wheat for tender sale to bulk consumers and sale to small private traders from FCI godowns under OMSS (D) for the period upto Feb.2013 is unlikely to cool prices down as other supply source like farmers/traders is drying up fast.

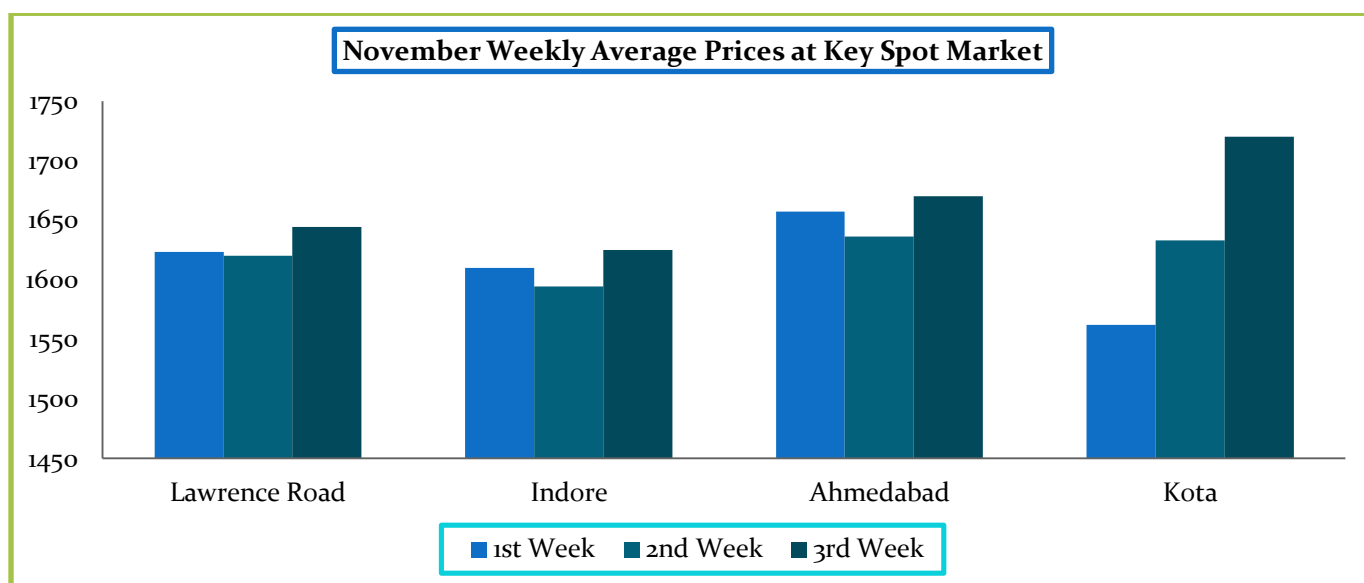
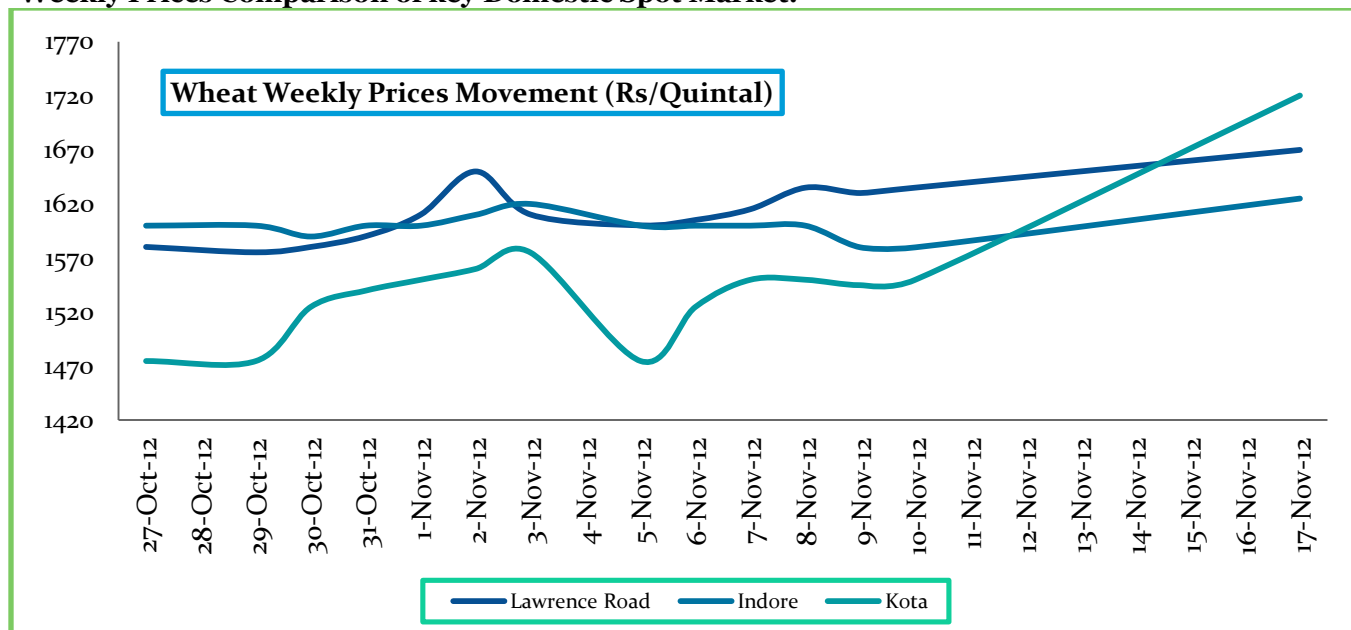
Surplus states like Punjab, Haryana, M.P. and Uttar Pradesh traders have to pay Rs1285 per qtl. plus state applicable taxes. If traders from other states procure wheat from Punjab they would have to pay applicable tax in Punjab, freight from Ludhiana to particular state capital and MSP i.e Rs 1285 per qtl.

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 .

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.
- In northern and western India, sunny, warm (temperatures averaging over 20°C) weather promoted winter wheat.

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
TOTAL	689.29	6.00	695.29
COARSE GRAINS	0.59	0.00	0.59
SUGAR	0.33	0.12	0.45
GRAND TOTAL	690.20	6.12	696.32

(Figures in Lakh Tonnes)

FOB Value as on 17.11.12 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16500	16600	15500	16250	17500	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	18250	17900	18200	19550	14550	18220
Indian FOB (USD/MT)	318	332	326	331	356	265	331
Insurance @ 0.1%	0.32	0.33	0.33	0.33	0.36	0.26	0.33
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	336	350	344	349	374	283	349
INR	54.99	54.99	54.99	54.99	54.99	54.99	54.99
Russian Wheat FOB (USD/MT)	345	345	345	345	345	345	345
Parity on FOB Basis (USD/MT)	27	13	19	14	-11	80	14

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	17 th Nov, 2012	week ago 10 Nov 12	Month ago 17 Oct 12	Year ago 17 Nov 2011	change over previous Year %
Bareilly	1600	1580	1540	1185	25.94
Delhi	1666	1633	1595	1212	27.25
Indore	1600	1570	1563	1143	28.56
Khanna	1673	1632	1604	1298	22.41
Kota	1665	1573	1538	1171.25	29.65
Kanpur	1545	1500	1500	1075	30.42
Karnal	1565	1560	1500	1340	14.38
Rajkot	-	1570	1520	1162	-

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			17.11.2012	10.11.2012	
	Lawrence Road	Mill Quality	1670	1635	35
	Nazafgarh	Mill Delivery Loose	1560	1560	Unch
	Narella	Mill Delivery Loose	1580	1570	10
Gujarat	Rajkot	Mill Delivery	-	1650	-
	Ahmedabad	Mill Delivery	-	1650	-

M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1725	1625	100
	Indore	Mill Delivery	1625	1580	45
Rajasthan	Kota	Mill Quality	1720	1550	170
U.P.	Kanpur	Mill Delivery	1520	1525	-5
Punjab	Khanna	Mill Quality Loose	1480	1450	30
Haryana	Sirsa	Mill Delivery loose	1515	1550	-35

Commodity: Wheat
Contract: December

Exchange: NCDEX
Expiry: December 20th, 2012



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 but moving nearing overbought 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	1512	1520	1592	1630	1649
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	December	Sell	Below 1604	1578	1565	1624

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

International Market Updates:

Global wheat market remained under pressure in absence of any firm clue from exporting nations. Export demand was seen subdued. However, more downside movement is unlikely as global production estimate might be revised down once again on weather concern.

Besides, Egypt is likely to resume purchases of supplies from the U.S. in its next state grain tender. Egypt has enough stock to fulfill its requirement up to December. So market expect tender for next quarter starting from January 2013. Egypt may source wheat from US, Black Sea Region and other sources. Global market is expected to recover from current level in the weeks ahead.

Winter wheat sowing has ended in the Black Sea region, Ukraine's crop is in near perfect condition and Russian crop outlook is still unclear, although the crop is expected to improve overall on the harvest this year. In Russia, winter wheat looks better than a year ago so far, but warm weather and an expected decrease of total grain planting area raise concerns.

Ukraine's has finally notified buyers including top importer Egypt of an export ban from December 1, ending months of speculation. It is expected that Ukraine may buy at least 1.5m tonnes of wheat from Argentina, Australia, Canada, France, Russia and/or the US in the first four months of next year.

Grain exports from the French port of Rouen, Europe's biggest cereal-shipping hub, fell 43 percent to the lowest weekly level since August as wheat deliveries to North Africa declined for a third week.

In Russia, Winter wheat planting may be around 16.4 million hectares (40.5 million acres). This will be almost 700,000 hectares more as compared to last year, according to analysts.

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.

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	15.11.12	Week Ago 08.11.12	Month Ago (October)	3 Months Ago (Aug)	Year Ago (Nov)
USA (Chicago)	RTRS 2srw	22.03	343.70	359.30	337.30	322.00	268.00
France	FCW3	17.78	345.40	354.30	337.00	319.00	284.00
United Kingdom	Feed wheat	20.28	343.70	355.60	320.40	305.00	274.00
Australia	CWRS	28.75	341.03	347.14	340.11	343.00	243.00
Russia	SRW	28.99	345.00	344.00	340.00	307.00	245.00
Canada(Spot)	Q2FW	18.91	299.30	300.20	302.30	300.10	242.70
Ukraine	SRW	29.20	342.50	342.50	341.50	304.00	242.50
Argentina	SRW	13.04	345.00	342.50	340.00	340.00	300.00

FOB quotes in the global market have been unstable due to weather related concern, lower Russian and Australian production estimates. Global wheat FOB quotes may hover in the range of \$335 to \$355 per MT in the near and medium term. However the revoked ban on Ukrainian wheat export may help prices to consolidate this week and better prospects of winter crop too may help prices to consolidate.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 16.11.12(USD/T)							
CONTRACT MONTH	16 Nov 2012	Week ago (9 Nov 2012)	1 Month ago(16 Oct)	3 Month ago(16 Aug)	6 Month ago(16 May)	1 Year ago(16 Nov)	% Change over previous year
Dec-12	307.88	325.70	311.46	323.95	246.53	263.43	14.44
Mar-13	313.67	331.21	316.06	327.54	252.22	269.58	14.06
May-13	318.81	333.60	317.43	321.29	255.62	269.95	15.33
July-13	310.73	326.43	305.95	309.53	256.63	263.33	15.25
Sept-13	313.12	329.74	307.61	306.32	259.66	268.75	14.17
Dec-13	315.41	331.67	311.19	309.26	266.37	271.14	14.04

CBOT December Future Contract Chart:



International Weather update:

Australia - Mostly dry weather in South Australia and northern Victoria favored wheat maturation and harvesting.

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 and Russia - Wet weather persisted in the north, while much-needed showers arrived in southern wheat districts. A series of disturbances triggered rain and wet snow from Belarus and northern Ukraine into central and northern Russia, maintaining favorable soil moisture for winter grains

USA - Winter Wheat: Ninety-five percent of the 2013 winter wheat crop was sown by November 11, on par with last year but slightly ahead of the 5-year average. Nationally, emergence was 79 percent complete by week's end, 2 percentage points behind both last year and the 5-year average. Despite increased moisture across portions of the Northern Tier, persistently dry weather throughout much of the Great Plains maintained drought stress on the developing crop. Overall, 36 percent of the winter wheat crop was reported in good to excellent condition, down 3 percentage points from last week and 14 points below the same time last year. This represents the lowest good to excellent rating for this week since wheat condition estimates began in 1986.

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