

Domestic Market Updates:

In Maharashtra wheat has been sown in 113,587 hectares, which is 11.7% of normal Area, at the same time last year wheat was sown in 189,174 hectares. Maharashtra has set sown area target at 10.5 lakh hectares against the normal area 9.67 lakh hectares.

In Rajasthan wheat has been sown in 621,700 hectares so far, which is 22% of the target area. Last year at the same time wheat was sown in 851,300 hectares. Rajasthan has set target of 28,00,000 hectares against the last years 29,35,000 hectares.

According to PIB (Press Information Bureau), in India so far wheat has been sown in 91.88 lakh hectares as compared to 92.31 lakh hectares same time last year.

Market is unlikely to take a major dip, despite 6.5 million tonnes of wheat allocation for bulk users. Hike in wheat release price for Rajasthan (Rs 1356 to Rs 1556) and Gujarat (Rs 1421 to Rs 1621) remains supportive to the wheat market fundamentals.

Although availability of wheat for flour millers will increase. Current allocation is expected to augment supply only for bulk users and they will be able to get sufficient wheat through tender and their dependence on private trade will decrease considerably. However their requirement to source wheat from cash market will remain, though to lesser extent.

Market participant expect price to move up from current level allocation of almost 16 lakh per month is not sufficient to fulfill entire requirement of flour millers. Stock in private hand and farmers is at negligible level and all these factors are likely to support price at current level.

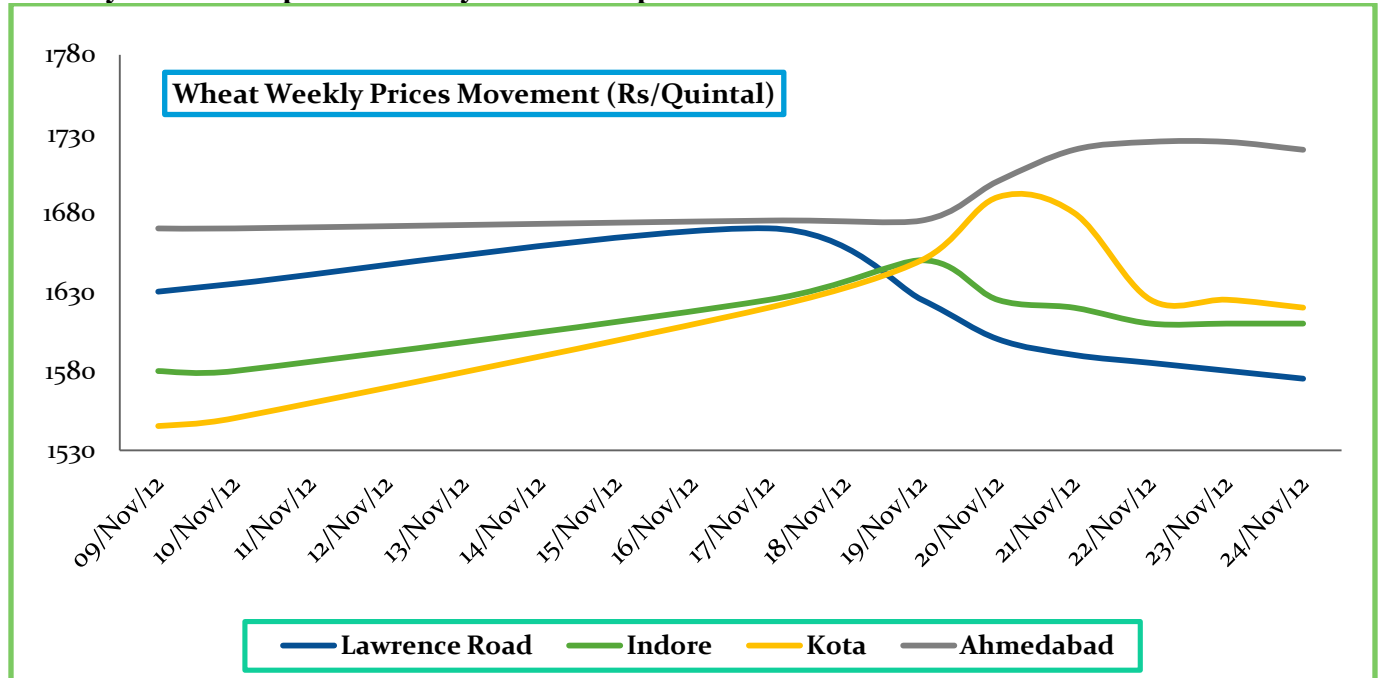
Wheat inflation was 19.78 % for the month of October and 18.63% for the month of September. In spite of record production this year wheat inflation has been high in recent times.

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.

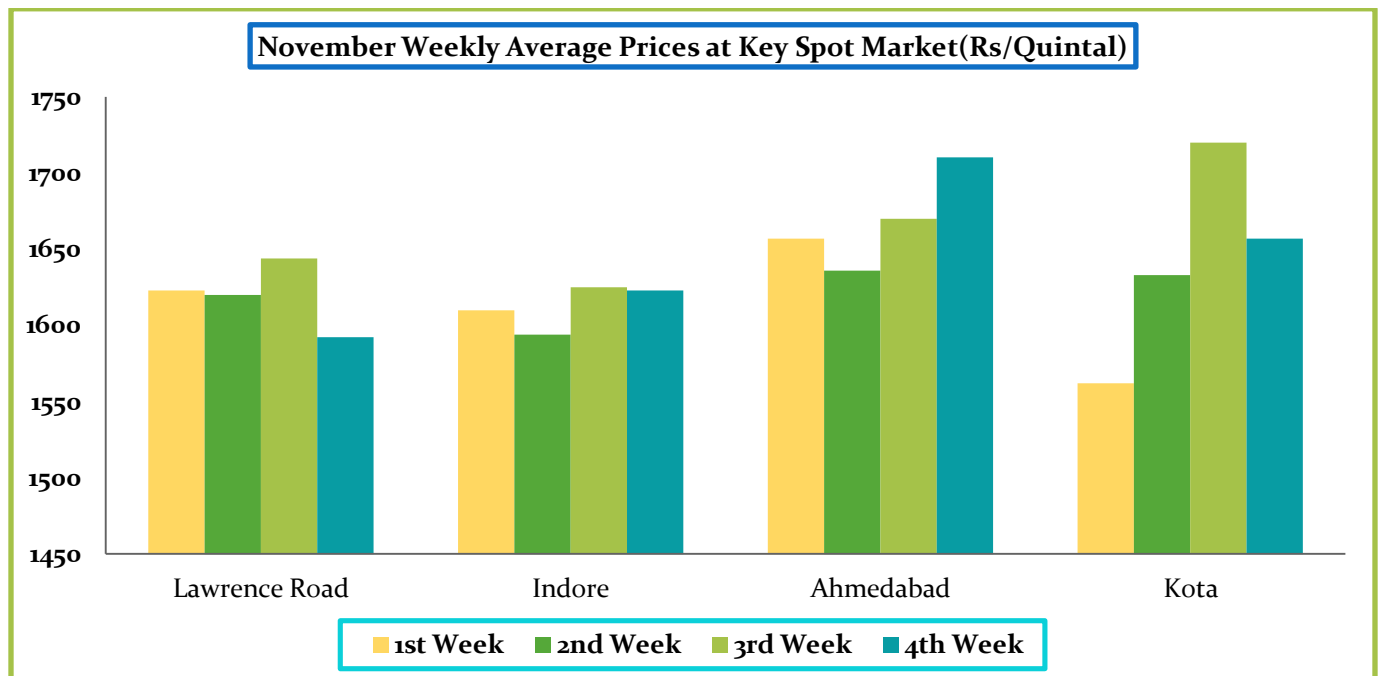
Weather Watch:

- 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:



Wheat mill delivery prices have fallen as government has released 65 lakh tonnes of wheat for bulk users. Prices fell at Lawrence Road market; Indore and Kota Mandi due to supply pressure. Prices at Ahmadabad market has risen in spite of increased supply as issue price has been increased from Rs 1421 per quintal to Rs 1620 per quintal. The impact of increased supply has been nullified by the increased issue price.



Prices have fallen in the fourth week of November (19th -24th) owing to increased supply at Lawrence Road, Indore and Kota Mandi, except for Ahmadabad Mandi as wheat issue price has been increased in Ahmadabad. It is very likely that prices will fall in week ahead at key spot markets except Gujarat. Supply pressure will be there in Gujarat market but it will not be bearish.

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)

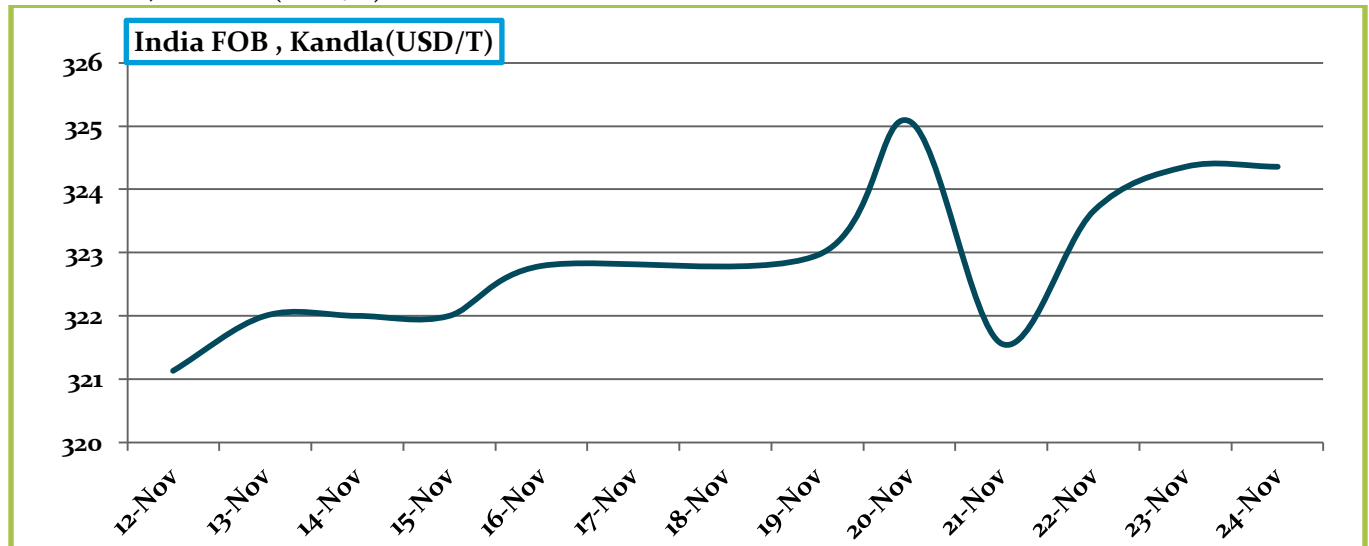
FOB Value as on 24.11.12 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16750	16050	15000	16100	16000	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)	17750	17700	17400	18050	18050	14550	18220
Indian FOB (USD/MT)	321	320	314	326	326	263	329
Insurance @ 0.1%	0.32	0.32	0.31	0.33	0.33	0.26	0.33
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	339	338	332	344	344	281	347
INR	55.34	55.34	55.34	55.34	55.34	55.34	55.34
Russian Wheat FOB (USD/MT)	345	345	345	345	345	345	345
Parity on FOB Basis (USD/MT)	24	25	31	19	19	82	16

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	24 th Nov, 2012	week ago 17 Nov 12	Month ago 25 Oct 12	Year ago 24 Nov 2011	change over previous Year %
Bareilly	1600	1600	1530	1180	26.25
Delhi	1584	1666	1580	1219.15	23.03
Indore	1605	1600	1565	1140	28.97
Khanna	1646	1673	1624	1291	21.57
Kota	1663	1665	1540	1183	28.86
Kanpur	1513	1545	1490	1065	29.61
Karnal	1570	1565	1500	1336.35	14.88
Rajkot	1659	-	1547	1168.35	29.58

India FOB, Kandla (USD/T)



Wheat Export Monthly Data:

Wheat export under OGL	Wheat (Lakh T)	Average FOB Quotes Kandla (USD/MT)	CBOT Average Quotes (USD/MT)
Oct-11	1.30	215.90	242.79
Nov-11	1.80	225.41	234.05
Dec-11	1.35	230.79	228.41
Jan-12	1.05	237.07	237.73
Feb-12	0.95	239.53	240.81
Mar-12	1.23	244.02	241.00
Apr-12	1.18	236.89	235.13
May-12	2.57	252.15	236.73
Jun-12	3.45	256.64	245.82
Jul-12	3.35	296.12	318.27
Aug-12	3.95	310.07	328.89
Sep-12	3.55	314.48	326.52
Oct-12	3.75	312.11	317.84
Nov-12*	1.66	320.19	317.04
Total	31.14		

*November 2012 figures are till 15 November.

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			24.11.2012	17.11.2012	
Delhi	Lawrence Road	Mill Quality	1575	1670	-95
	Nazafgarh	Mill Delivery Loose	1525	1560	-35
	Narella	Mill Delivery Loose	1535	1580	-45
Gujarat	Rajkot	Mill Delivery	1675	-	-

	Ahmedabad	Mill Delivery	1720	-	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1750	1725	25
	Indore	Mill Delivery	1610	1625	-15
Rajasthan	Kota	Mill Quality	1620	1720	-100
U.P.	Kanpur	Mill Delivery	1535	1520	15
Punjab	Khanna	Mill Quality Loose	1480	1480	Unch
Haryana	Sirsa	Mill Delivery loose	1525	1515	10

Commodity: Wheat
Contract: December

Exchange: NCDEX
Expiry: December 20th, 2012

Wheat (Weekly Chart)

O 1592.00 H 1618.00 L 1571.00 C 1599.00 V 42,380 | 22,300 +7 +0.44%
EMA(9) 1565.4 (18) 1527.1



Technical Commentary:

- Market is moving sideward and candlestick chart depicts Consolidation.
- Rise in price and fall in OI hints towards Short Covering.
- Oscillator RSI is in neutral zone but moving nearing overbought 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	December	1540	1553	1592	1618	1625
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	December	Buy	Above 1580	1600	1609	1565

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

International Market Updates:

Ukraine has already exported 5.2 million tonnes of milling wheat and it is in no position to allow export more than 5.5 million tonnes, to protect the domestic prices. Trader anticipates that Ukraine agricultural ministry will ban export as soon as it reached 5.5 million tonne mark.

There are speculations that Brazil may have bought Wheat from Germany as its traditional supplier Argentina has been suffering from heavy rains since two weeks, reduction in yield and lower production as compared to last year.

Argentina's government has cut its wheat output forecast, due three months of heavy rains that started in August and flooded key parts of the Pampas farm belt. It is expected that it will produce 11.1 million tonnes of wheat in the 2012-13 crop year, down from the government's previous forecast of 11.5 million tonnes

According to the International Grains Council Morocco will overtake Algeria as Africa's second-largest wheat buyer behind Egypt in the 2012-13 seasons. Morocco is expected to import 5.2 million tonnes of wheat.

Iraq's state grains board has purchased a total of 350,000 tons of wheat from Australia, Russia and Canada. Of the total, 200,000 tons of Australian wheat was purchased from Glencore at USD 404.89 per tonne CIF. Glencore also sold 50,000 tons of Russian wheat at USD 399 per tonne CIF. 100,000 tons of Canadian wheat was sold by Viterra at USD 409.89 per Tonne CIF.

Russian wheat stocks are down by 47% Year-on-year basis. Wheat stocks at farms, procurement and processing companies, excluding small farms, fell 47 percent as of Nov. 1, from a year ago level. Wheat stocks at agricultural enterprises, excluding small farms, stood at 8.15 million tonnes as of Nov. 1, down from 15.3 million tonnes a year ago and down from 13.6 million tonnes as of Nov. 1 2010, when Russia was also hit by drought.

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.

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	22.11.12	Week Ago 15.11.12	Month Ago (October)	3 Months Ago (Aug)	Year Ago (Nov)
USA (Chicago)	RTRS 2srw	22.00	343.60	343.70	345.00	344.00	268.00
France	FCW3	19.07	350.90	345.40	343.40	336.00	284.00
United Kingdom	Feed wheat	21.11	347.30	343.70	331.40	336.20	274.00
Australia	CWRS	28.01	337.57	341.03	345.99	355.23	243.00
Russia	SRW	21.16	345.00	345.00	340.00	307.00	272.00
Canada(Spot)	Q2FW	20.32	302.60	299.30	302.30	300.10	241.10
Ukraine	SRW	21.31	342.50	342.50	341.50	304.00	269.50
Argentina	SRW	16.25	346.25	345.00	340.00	340.00	290.00

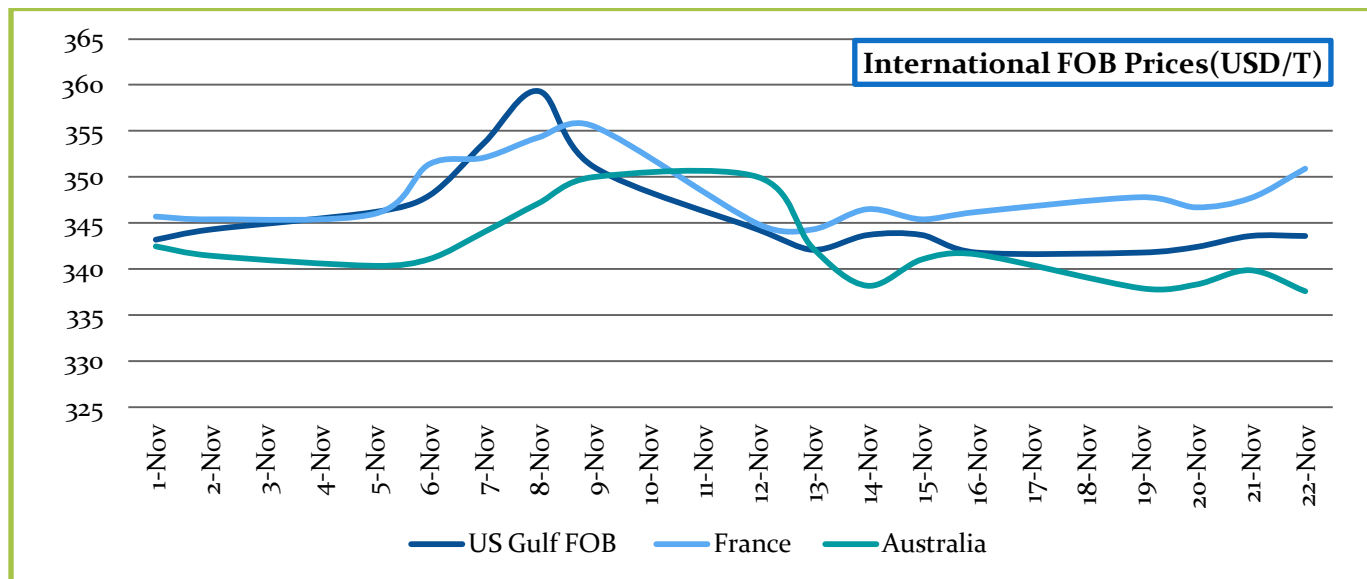
FOB quotes in the global market have been stable in recent times as positive sentiments have been coming about Ukrainian, Russian and USA's winter crop. Subdued demand for wheat in international market has been another reason for steady FOB prices. Global wheat FOB quotes may hover in the range of \$335 to \$352 per MT in the near and medium term. However a ban on Ukrainian wheat export may be imposed which might push FOB's towards north.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 23.11.12(USD/T)							
CONTRACT MONTH	23 Nov 2012	Week ago (16 Nov 2012)	1 Month ago(23 Oct)	3 Month ago(23 Aug)	6 Month ago(23 May)	1 Year ago(23 Nov)	% Change over previous year
Dec-12	311.46	307.88	319.18	328.73	257.36	244.23	21.59
Mar-13	316.52	313.67	324.05	335.16	262.87	250.11	20.98
May-13	318.90	316.06	325.61	331.12	264.99	252.13	20.94
July-13	313.85	310.73	312.84	313.67	264.07	246.16	21.57
Sept-13	316.15	313.12	315.32	313.85	267.38	251.21	20.54
Dec-13	319.18	315.41	318.26	315.69	273.16	254.15	20.37

CBOT December Future Contract Chart:

International FOB prices Weekly price Movement(USD/T):



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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