

Domestic Market Updates:

Wheat cash market stayed steady on balanced supply demand side in the week under review. Steady domestic demand and supply are keeping wheat and flour prices stable. Wheat prices have been consolidating where allocation price was not increased however prices increased in Gujarat due to Rs 200/Q increase on wheat issue price. We expect prices to rule range bound at current level.

In a latest development, the Government has rejected a top food grain pricing panel's (CACP) recommendation of keeping wheat MSP unchanged at previous year's level. The Government has asked the Commission for Agricultural Costs and Prices (CACP) to rework the minimum support price (MSP) of wheat for 2012-13 keeping in mind the rise of cost of inputs such as fertilizer and diesel. This means farmers may receive more prices for wheat either in way of higher MSP or through bonus. The cost of wheat production has gone up to Rs 1128 per qtl. against Rs 927 per qtl. last year. The MSP for wheat in 2010-11 was Rs 1,120 per quintal when the cost of production was Rs 826.

In Maharashtra wheat has been sown in 190,979 hectares, which is 19.7% of normal Area, at the same time last year wheat was sown in 250,888 hectares. Maharashtra has set sown area target at 10.5 lakh hectares against the normal area 9.67 lakh hectares.

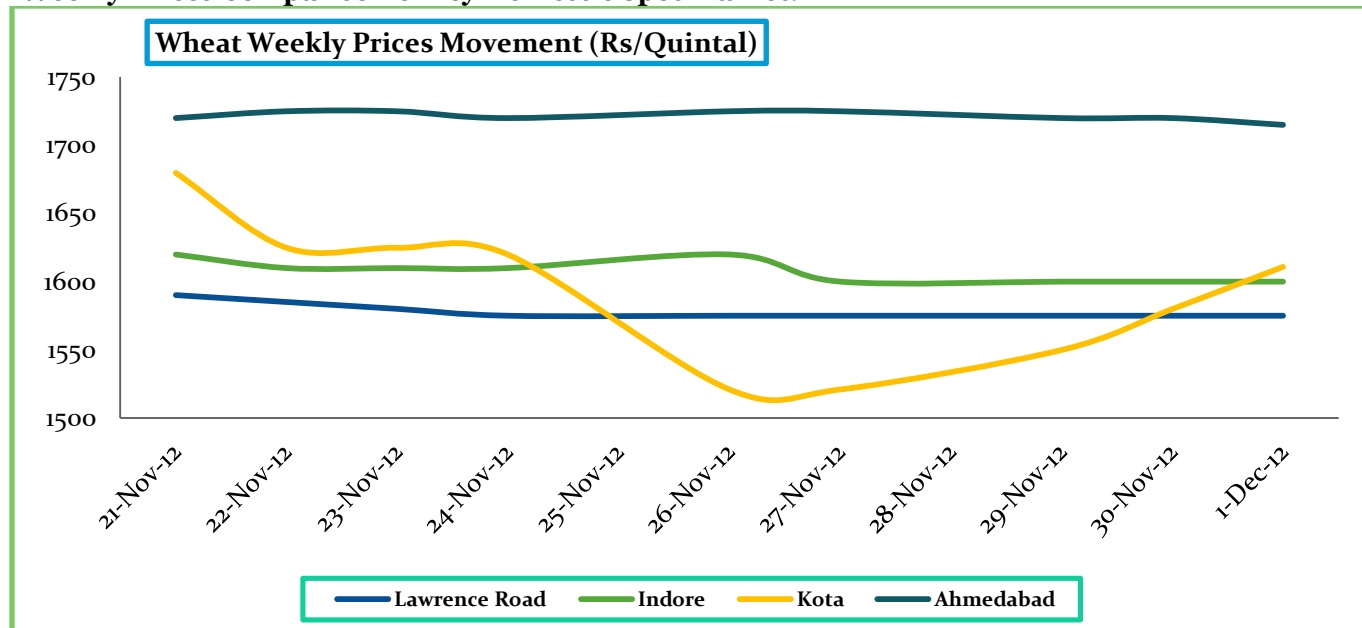
In Rajasthan wheat has been sown in 153,270 hectares so far, which is 54.7% of the target area. Last year at the same time wheat was sown in 16, 02,700 hectares. Rajasthan has set target of 28, 00,000 hectares against the last years 29, 35,000 hectares.

According to PIB (Press Information Bureau), in India so far wheat has been sown in 157.89 lakh hectares as compared to 162.50 lakh hectares same time last year.

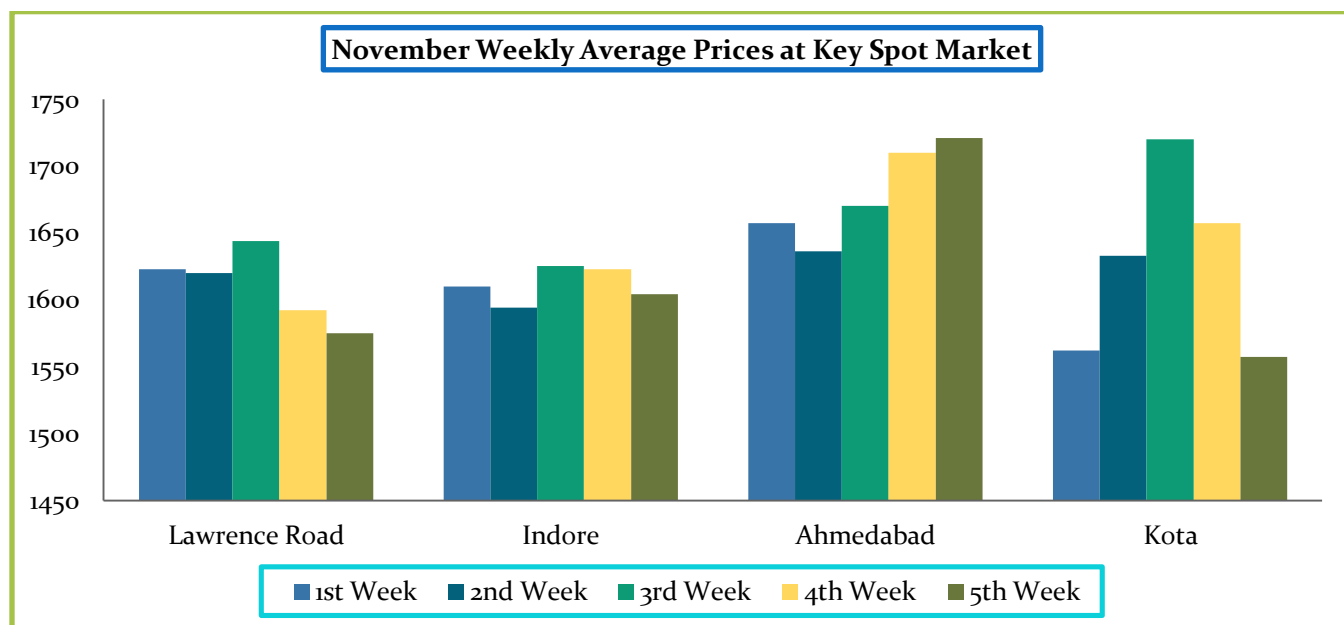
Market is unlikely to take a major dip, despite 6.5 million tonnes of wheat allocation for bulk users. Hike in wheat release price for Rajasthan (Rs 1356 to Rs 1556) and Gujarat (Rs 1421 to Rs 1621) remains supportive to the wheat market fundamentals.

Weather Watch: (22nd November-28th November)

- The cumulative seasonal rainfall during 1st October to 28th November 2012 for the country as a whole was 88.0 mm which is -19 per cent below normal rainfall of 109.1 mm.
- A low Pressure area lay over southwest and adjoining west central Bay of Bengal on 22nd November. It became less marked on 23rd. However, the trough of low pressure extended from southwest to west central Bay of Bengal with embedded upper air cyclonic circulation over southwest Bay of Bengal and adjoining Tamil Nadu in lower levels up to 27th November.
- Widespread rainfall occurred over Andaman & Nicobar Islands on 22nd, 27th and 28th November. Fairly widespread rainfall occurred over Tamil Nadu and Puducherry on 24th November. Scattered rainfall occurred over Rayalaseema from 22nd to 24th November, over Tamil Nadu & Puducherry, Kerala, Lakshadweep and Arunachal Pradesh on 25th November and over Andaman & Nicobar Islands on 24th and 26th November. Rainfall occurred at isolated places over Andaman & Nicobar Islands, Coastal Karnataka, South Interior Karnataka, Assam and Meghalaya, Jammu & Kashmir and Himachal Pradesh during the week. Weather was mainly dry over the rest region of the country.

Weekly Prices Comparison of key Domestic Spot Market:


Wheat mill delivery prices fell last week as government has released 65 lakh tonnes of wheat for bulk users but prices have consolidated at key spot market last week. Prices remained same at Lawrence Road and Ahmadabad market as supply and demand was at equilibrium; Indore and Kota Mandi due to supply pressure.



Prices have fallen in the fifth week of November (25th -30th) owing to increased supply at Lawrence Road, Indore and Kota Mandi, except for Ahmadabad Mandi as wheat issue price has been increased. It is very likely that prices will consolidate in week ahead

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)

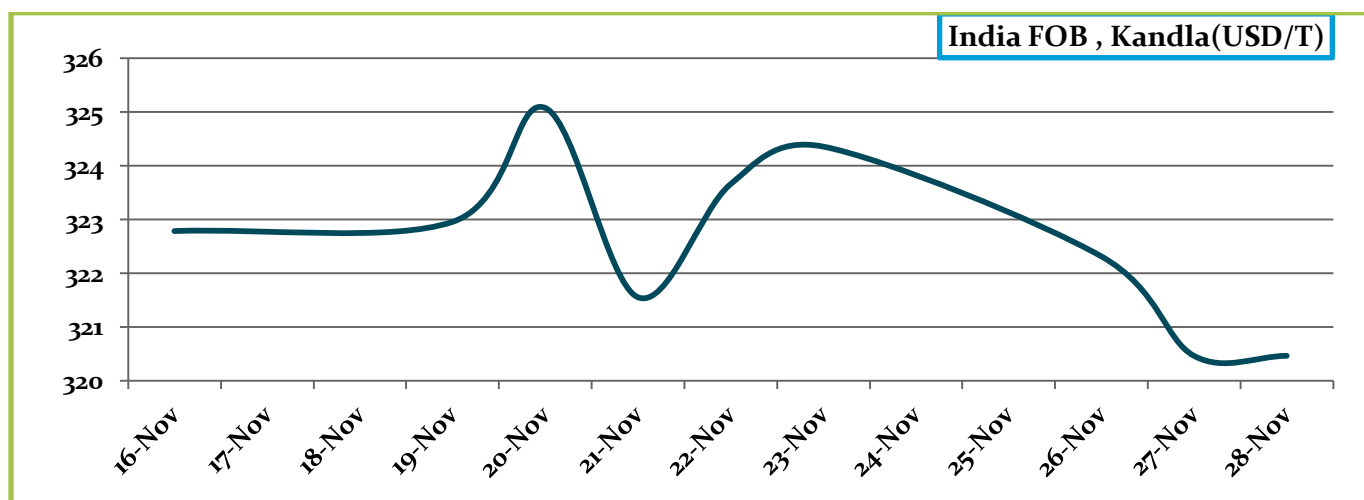
FOB Value as on 01.12.2012 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16900	16000	15500	16000	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)	17900	17650	17900	17950	18550	14550	18220
Indian FOB (USD/MT)	328	324	328	329	340	267	334
Insurance @ 0.1%	0.33	0.32	0.33	0.33	0.34	0.27	0.33
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	346	342	346	347	358	285	352
INR	54.52	54.52	54.52	54.52	54.52	54.52	54.52
Russian Wheat FOB (USD/MT)	332.5	332.5	332.5	332.5	332.5	332.5	332.5
Parity on FOB Basis (USD/MT)	4	9	4	3	-8	66	-2

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	1 Dec,2012	week ago 24 Nov 12	Month ago 1 Nov 12	Year ago 2 Dec 2011	change over previous Year %
Bareilly	1587	1600	1560	1160	26.91
Delhi	1578	1584	1607	1188	24.71
Indore	1575	1605	1603	1111.25	29.44
Khanna	1646	1646	1607	1289.4	21.66
Kota	1638	1663	1580	1135	30.71
Kanpur	1510	1513	1495	1065	29.47
Karnal	1560	1570	1545	1306.1	16.28
Rajkot	1653	1659	1578	1145	30.73

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
			01.12.2012	24.11.2012	
Delhi	Lawrence Road	Mill Quality	1575	1575	Unch
	Nazafgarh	Mill Delivery Loose	1540	1525	15
	Narella	Mill Delivery Loose	1520	1535	-15
Gujarat	Rajkot	Mill Delivery	1700	1675	25
	Ahmedabad	Mill Delivery	1715	1720	-5

M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1700	1750	-50
	Indore	Mill Delivery	1600	1610	-10
Rajasthan	Kota	Mill Quality	1611	1620	-9
U.P.	Kanpur	Mill Delivery	1540	1535	5
Punjab	Khanna	Mill Quality Loose	1450	1480	-30
Haryana	Sirsa	Mill Delivery loose	1535	1525	10

Commodity: Wheat
Contract: December

Exchange: NCDEX
Expiry: December 20th, 2012

Wheat (Weekly Chart)



Technical Commentary:

- Market is moving upward and candlestick chart depicts bullishness.
- Rise in price and fall in OI and volume hints towards Weak Market.
- Oscillator RSI is 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	1559	1565	1610	1625	1649
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	December	Buy	Above 1590	1610	1618	1572

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

International Market Updates:

According to the latest IGC report, Wheat production estimate for the year 2012-13 has been slashed from 655 million tons to 654 million tonnes as lower harvesting is expected in Australia and EU. Wheat trade has been raised from 132 million tons to 134 million tonnes as fresh demand had been noticed from China and Iran. Carry out stock too has been increased from 172 million tons to 173 million tonnes but stock shows 23 million tonnes fall year on year basis. Global consumption has been lowered to 678 million tons from 679 million tonnes as higher prices and lower supplies have contained demand for feed and industrial demand.

It is expected that China will import 3 million tonnes of wheat in 2013, which will be 10% more than 2.73 million tonnes in 2012.

Pakistan will be supplying 1 million tonnes of wheat to sanction hit Iran in a barter trade deal.

Ukraine has already exported 5.42 million tonnes of milling wheat as on 26 November 2012 and it is in no position to allow export more than 5.5 million tonnes, to protect the domestic prices. Traders anticipate that Ukraine agricultural ministry will ban export as soon as it reached 5.5 million tonne mark. Although traders feel that small shipments may continue but large shipment will halt as last time in 2010 when Ukraine has poor harvest, exports were banned and traders incurred huge losses due to advance commitments which they were unable to honour obligations.

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.

IGC Wheat Balance Sheet (As on 29.11.2012)

(Quantity in MMT)

	2007-08	2008-09	2009-10	2010-11	2011-12 estimated	Million T	Projection for 2012-13
						25.10.2012	29.11.2012
Production	607	685	679	653	694	655	654
Trade	110	137	128	126	145	132	134
Consumption	603	645	652	659	692	679	678
Carryover stocks	132	173	200	194	196	172	173
Y-O-Y change	5	41	27	-6	-6	-24	-23
Major Exporters	47	69	79	73	73	50	50

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	28.11.12	Week Ago 21.11.12	Month Ago (October)	3 Months Ago (Aug)	Year Ago (Nov)
USA (Chicago)	RTRS 2srw	24.78	356.30	343.60	339.00	333.00	268.00
France	FCW3	21.20	360.40	347.70	339.20	327.00	284.00
United Kingdom	Feed wheat	23.78	359.50	344.30	334.10	323.20	274.00
Australia	CWRS	28.61	340.40	339.85	345.00	344.30	243.00
Russia	SRW	24.81	332.50	345.00	342.00	313.00	250.00
Canada(Spot)	Q2FW	20.74	302.30	301.00	299.70	304.60	239.60
Ukraine	SRW	27.74	342.50	342.50	341.50	310.00	247.50
Argentina	SRW	36.23	345.00	346.25	340.00	340.00	220.00

FOB quotes in the global market have risen in past week on Egypt wheat purchase, Ukraine has reached the virtual higher limit of 5.5 million tonnes of wheat export and speculation are that a ban may be enforced any time soon, poor reports on Russian and USA's winter crop .Global wheat FOB quotes may hover in the range of \$340 to \$365 per MT in the near and medium term. However weak US wheat exports report may drag price a little in near term.

CBOT FUTURES CONTRACT:

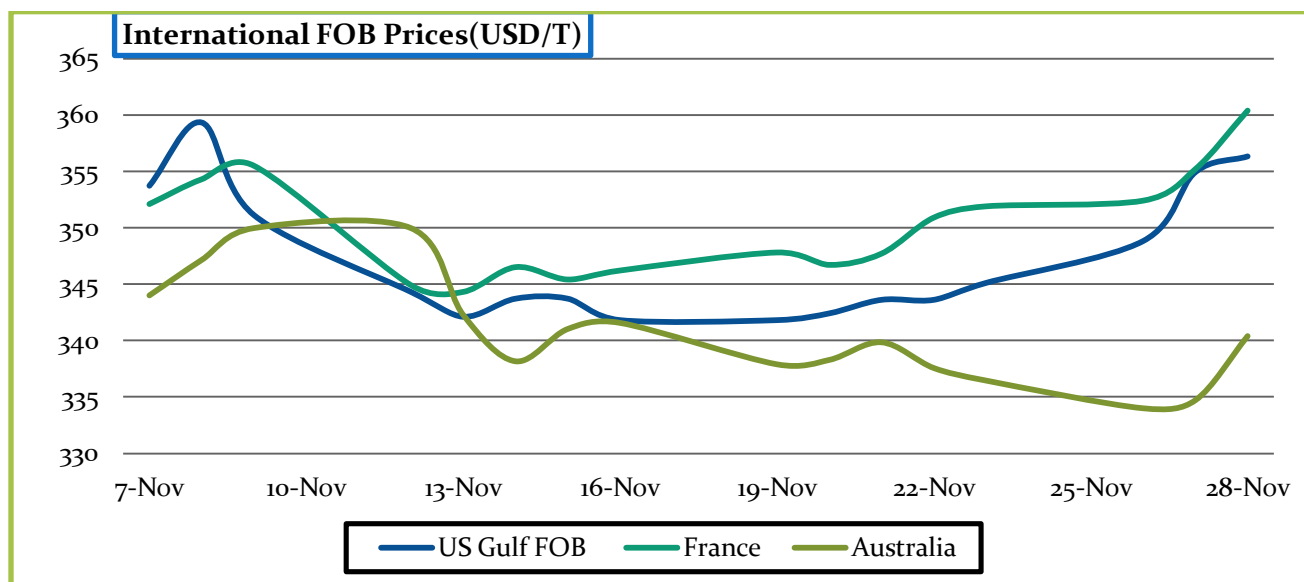
CBOT Futures Prices: Date: 30.11.12(USD/T)

CONTRACT MONTH	30 Nov 2012	Week ago (23 Nov 2012)	1 Month ago(30 Oct)	3 Month ago(30 Aug)	6 Month ago(30 May)	1 Year ago(30 Nov)	% Change over previous year
Dec-12	310.36	311.46	314.77	331.76	254.15	249.83	19.50
Mar-13	317.25	316.52	320.28	334.70	261.04	255.89	19.34
May-13	320.37	318.90	322.94	332.50	264.16	257.27	19.70
July-13	319.82	313.85	319.00	315.14	265.35	251.58	21.34
Sept-13	322.85	316.15	322.39	314.59	268.57	256.26	20.63
Dec-13	325.70	319.18	325.06	317.71	273.90	258.93	20.50

CBOT December Future Contract Chart:



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



International Weather update: (Source-USDA)

Australia - Hot, dry weather spurred winter grain maturation and harvesting across most of the wheat belt. In Western Australia, rain (up to 15 mm) was confined primarily to the northern and eastern fringes of the wheat belt, causing only temporary delays in winter grain harvesting.

Kazakhstan- Temperatures averaged near to above normal in spring wheat areas, minimizing the risk for any snow-induced fieldwork delays.

Argentina- Winter wheat was 18 percent harvested, down 4 points from last year, with most fieldwork occurring in northern production areas.

Ukraine and Russia - Soil moisture shortages continued to limit wheat establishment in the Southern District, Russia's largest winter wheat producer, despite some showers during the first half of the month. Likewise, satellite-derived vegetation health data indicated winter wheat was poorly established from Crimea, Ukraine, into central and southern areas of the Southern District.

USA - 88 percent of the winter wheat crop had emerged, 3 percentage points behind last year and 2 points behind the 5-year average. Unfavorably dry weather continued to blanket the nation's heartland, causing crop conditions to further deteriorate. Most notably, good to excellent condition ratings in seven of the top ten winter wheat-producing states totaled 29 percentage points or less by November 25. Overall, 33 percent of the winter wheat crop was reported in good to excellent condition, down slightly from last week and 19 percentage points below the same time last year.

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