

Wheat Domestic Fundamentals:

- Bangladesh is importing Indian Wheat from Private traders at USD 315-328/T FOB Kakinada port. Traders are exporting wheat procured from government tenders and new wheat crop arrivals are expected in Gujarat and M.P by late February, FOB are expected to fall that time but not much as Wheat crop is lower in Gujarat and sourcing wheat from Rajasthan and Madhya Pradesh will cost minimum Rs 1500/Q FOR at Kandla.
- There is a growing fear in the market that wheat yield will not cross last year's level as sowing delayed by two weeks this year and temperature in the month of February will be crucial for the standing crop that are entering now in the flowering stage. Market experts say that two percent yield loss is a possibility if the standing crops don't get one –two shower of winter rains.
- At current scenario, 92 million Tonnes of wheat production seems very much on the card against the set target of 86 million T for this season. Even if production goes down to 90 million T (unlikely), problem of plenty continues to haunt the govt. on storage front. Off take in domestic market is unlikely to improve at this point of time, especially when harvesting is hardly one and a half month away. Therefore, higher export is the only visible and practical solution to have stock at manageable level.
- Wheat sowing has completed now and total area coverage is slightly lagging behind last year. Wheat has been sowed at 297.61 lakh hectares against 298.59 lakh T last year, almost one lakh hectares lower than last year. Major area increase has been witnessed in M.P. and Uttar Pradesh. Lower area coverage in Gujarat and Maharashtra will remain the cause of concern.

International Market Update:

- Egypt's GASC has bought 60,000 Tonnes of US Soft Red Winter Wheat from Venus at USD 306.80/T FOB. This fresh purchase might revive falling CBOT due to dull international demand.
- Russia is considering of scrapping 5% import duty till 1st August 2013 due to higher domestic prices and lower crop availability. This will make imports cheaper from EU; currently Russia is importing tariff free wheat mainly from Kazakhstan.
- Ukraine has exported 70,000 Wheat in January 2013 which is 40% less than December 2012, 337,000 tonnes. Since July 2012 Ukraine has exported 6.14 million tonnes of wheat according to Ministry of Agriculture.

Domestic market Outlook: We expect wheat Cash and future market to trade steady to slightly firm on strong domestic and international demand.

| NCDEX Wheat Futures | | | | | | | | | |
|---------------------|-----|-------|-------|-------|-------|--------|--------|-------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Feb-13 | 12 | 1,516 | 1,557 | 1,516 | 1,525 | 2,250 | -1,770 | 1,160 | -1,360 |
| Mar-13 | 2 | 1,456 | 1,472 | 1,446 | 1,459 | 5,650 | 1,160 | 7,980 | 190 |
| Apr-13 | 2 | 1,395 | 1,399 | 1,393 | 1,397 | 860 | 150 | 8,490 | 150 |
| May-13 | -2 | 1,398 | 1,402 | 1,390 | 1,397 | 600 | 60 | 4,050 | 220 |

| Spread | Feb-13 | Mar-13 | Apr-13 | May-13 |
|--------|--------|--------|--------|--------|
| Spot | 70 | | | |
| Feb-13 | | -66 | | |
| Mar-13 | | | -62 | |
| Apr-13 | | | | 0 |

| Stocks | Demat | In- Process | Total | FED |
|--------|------------|-------------|------------|-----------|
| | 04/02/2013 | 04/02/2013 | 04/02/2013 | 4/02/2013 |
| Delhi | - | - | - | - |
| Itarsi | 508 | 0 | 508 | 508 |
| Kanpur | - | - | - | - |
| Kota | 3788 | 0 | 3788 | 3788 |

CBOT Wheat Futures: Date: 04.02.2013

| Contract | Open | High | Low | Close | +/- |
|----------|--------|--------|--------|--------|-------|
| Mar-13 | 767.50 | 774.00 | 761.00 | 763.00 | -2.00 |
| May-13 | 776.00 | 781.75 | 768.75 | 770.75 | -2.50 |
| Jul-13 | 781.75 | 786.75 | 774.00 | 776.00 | -2.25 |
| Sep-13 | 790.75 | 797.50 | 785.25 | 787.50 | -1.75 |
| Dec-13 | 804.00 | 811.75 | 799.75 | 802.25 | -1.75 |

Wheat Daily prices and Arrival

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|------------|-------------------|---------------------|-----------------|----------|--------|
| Delhi | | | 2/5/2013 | 2/4/2013 | |
| | Lawrence Road | Mill Delivery | 1595 | 1590 | 5 |
| | Nazafgarh | Mill Quality Loose | - | - | - |
| | Narella | Mill Quality Loose | - | - | - |
| Gujarat | Rajkot | Mill Delivery | 1670 | 1670 | Unch |
| | Ahmedabad | Mill Delivery | 1725 | 1720 | 5 |
| | Surat | Mill Delivery | 1745 | 1735 | 10 |
| M.P. | Bhopal | Lokwan | 1660 | 1660 | Unch |
| | Indore | Mill Delivery | 1620 | 1625 | -5 |
| Rajasthan | Kota | Mill Delivery | 1610 | 1610 | Unch |
| U.P. | Kanpur | Mill Delivery | 1565 | 1565 | Unch |
| | Mathura | Mill Quality Loose | 1520 | 1520 | Unch |
| | Kosi | Mill Delivery | 1700 | 1700 | Unch |
| Punjab | Khanna | Mill Quality Loose | - | 1500 | - |
| | (Ludhiana)Jagraon | Mill Delivery | 1560 | 1560 | Unch |
| Haryana | Sirsa | Mill Delivery loose | - | 1525 | - |
| | Hodal | Mill Delivery | - | 1595 | - |
| | Panipat | Mill Quality Loose | - | - | - |
| | Karnal | Mill Quality | - | - | - |
| Tamil Nadu | Chennai | Mill Quality | 1875 | 1875 | Unch |
| | Madurai | Mill Quality | 1925 | 1925 | Unch |
| | Coimbatore | Mill Quality | 1925 | 1925 | Unch |
| Chattisgah | Raipur | Mill Quality | 1550 | 1550 | Unch |

| | | | | | |
|-------|----------------------------|--------------|------|------|------|
| Bihar | Begusarai | Mill Quality | 1455 | 1455 | Unch |
| FOR | Kandla(Rajasthan-Kota) | Mill Quality | 1710 | 1710 | Unch |
| | Gandhidham(Rajasthan-Kota) | Mill Quality | 1710 | 1710 | Unch |

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|---------------|---------------------|---------------------|----------|--------|
| Delhi | | | 2/5/2013 | 2/4/2013 | |
| | Lawrence Road | Mill Delivery | 1500 | 1200 | 300 |
| | Nazafgarh | Mill Quality Loose | - | - | - |
| | Narella | Mill Quality Loose | - | - | - |
| Gujarat | Rajkot | Mill Delivery | - | - | - |
| | Ahmadabad | Mill Delivery | - | - | - |
| M.P. | Bhopal | Lokwan | - | - | - |
| | Indore | Mill Delivery | - | - | - |
| Rajasthan | Kota | Mill Quality | 4000 | 5000 | -1000 |
| U.P. | Kanpur | Mill Delivery | 100 | 500 | -400 |
| Punjab | Khanna | Mill Quality Loose | - | 50 | - |
| Haryana | Sirsa | Mill Quality Loose | - | 100 | - |
| | Hodal | Mill Delivery loose | - | 60 | - |
| | Panipat | Mill Quality Loose | - | - | - |
| | Karnal | Mill Delivery Loose | - | - | - |

| Wheat Products Delhi | 2/5/2013 | 2/4/2013 | Change |
|------------------------------|----------|----------|--------|
| Atta (50kg) Ordinary | 915 | 915 | Unch |
| Maida Grade 1 (90kg) | 1887 | 1887 | Unch |
| Maida Grade 1 (50KG) | 1030 | 1030 | Unch |
| Suji (50kg) | 1105 | 1105 | Unch |
| Chokar (50 kg) | 680 | 675 | 5 |
| Chokar (34 kg) | 474 | 471 | 3 |
| Chakki Atta (50kg) | 935 | 935 | Unch |
| Chakki Atta (50kg) Special | 935 | 935 | Unch |
| Chakki Atta (90kg) Superfine | 1740 | 1740 | Unch |
| Chakki Atta (50kg) Superfine | 940 | 940 | Unch |

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.php> © 2013 Indian Agribusiness Systems Pvt Ltd.