

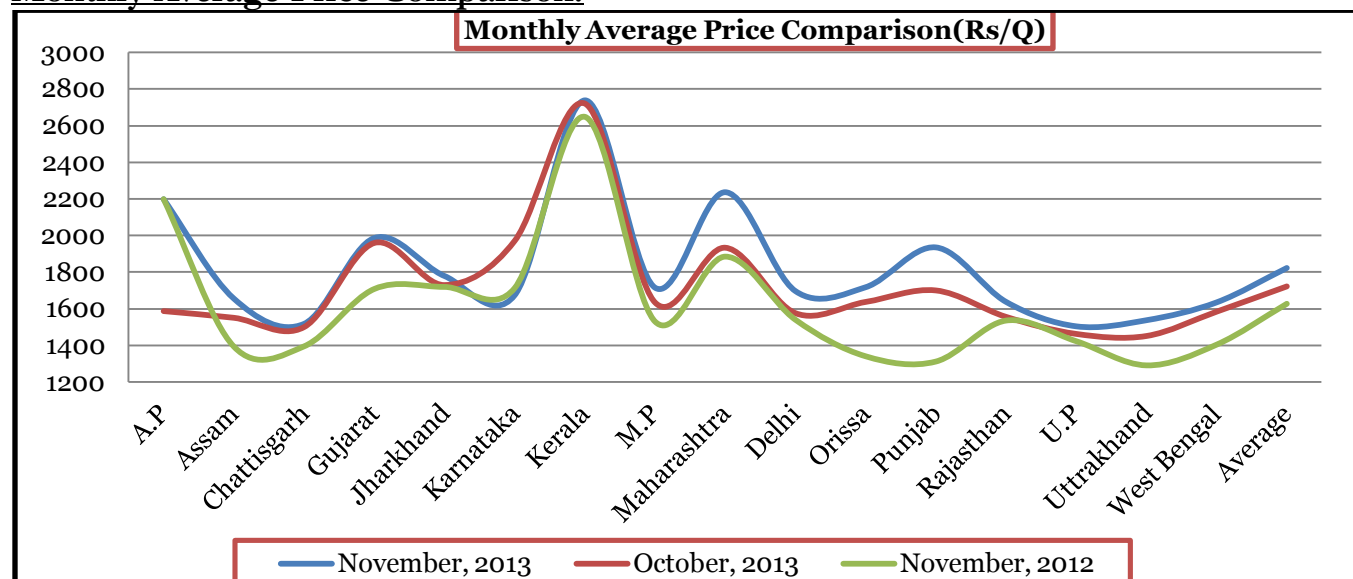
Executive Summary

Wheat prices firmed in November owing to increase in OMSS prices, demand from millers, lower supply from farmers and export demand. Prices have firmed by Rs 50-100/Q in major Mandis. Wheat sowing gains momentum throughout India. Weather remains congenial to wheat sowing with good moisture level in the field in major wheat producing region. Till 29th November total area under wheat coverage registered at 179.44 lakh hectares higher from 158.46 lakh hectares at the same time last year. Government has targeted to cover 29 million hectares this year. Punjab govt. has decided to bring wheat acreage down from 35.12 to 34.80 lakh hectares in rabi season 2013-14. Haryana government has targeted to cover 25 lakh hectares this year against 24.97 lakh hectares last year. Both states expect over 150 and 127.48 lakh tone wheat production respectively against the last year's production of 165.91 and 113.42 lakh tonne. Sowing in Gujarat crossed halfway mark and area in this state is likely to increase by 20 to 25 percent from last year as farmers are using cotton and peanuts fields (damaged due to rough weather in the last phase of October and beginning of November for wheat sowing. Good start at sowing front denotes bumper crop once again in normal condition.

Condition remains favourable for Indian wheat export. With good response for 3.4 lakh tonne wheat export in tenders issued by state trading agencies in the third week of Nov. export volume from government's stock is set to rise in the last quarter of current financial year. For encouraging export and poor response due to export reserve price of \$300 per tonne India had reduced it to \$260 per tonne. Lowering the floor price ultimately paid off and Indian state agencies received bids in the range of \$ 268 to \$290 per tonne, considerably higher than the fixed floor price of \$260 per tonne.

Wheat stock in central pool registered at 33.10 million tonne as on 16.11.2013. It is lower than (the stock of 40.70 million T in 1st Nov.2012) corresponding period last year. However, it is quite higher than 10.2 million tone required on 1st January, 2014 under buffer norm, including strategic reserve of 2.0 million tonne. Overall stock status remains comfortable.

Monthly Average Price Comparison:



Comparative price trend in various states shows that wheat traded marginally higher in November as compared to October. Prices have firmed in month of November due to fresh demand from millers, lower arrivals from farmers and export demand.

India's Wheat Balance Sheet:

in Thousand MT								Estimates		Estimates		Forecast		Forecast
			2010-11	2011-12	2012-13	2013-14		Apr -June		July -Sept		Oct -Dec		Jan -Mar
Opening Stock			16125	18935	24185	31100		31100		99318.699		78491.397		47745.796
<i>FCI opening stock</i>			16125	15364	19952	24207								
Production			80800	86810	94800	92460		92460		0		0		0
Stock Position														
<i>Procurement</i>								25092						
<i>Govt.</i>		<i>FCI figures</i>	22513	28334	38148	25092		49299		43677.417		38055.833		32434.25
<i>Private trade</i>		<i>Plug in figure</i>	30007	28092.5	23472	35007		41900		32274		24356		16332
<i>Farm</i>	35%		28280	30383.5	33180	32361	35%	32361		25888.8		19416.6		3236
Imports			218	272	17	0		0						
Total Supply			97143	106017	119002	123560		123560		99318.699		78491.397		47745.796
Consumption														
Exports			58	72	6496	6257		2522		815		920		2000
Domestic consumption														
<i>Govt releases</i>		from fci website	23067	24168	20224	22486		5622		5622		5622		5622
<i>Private trade</i>	5%		28506.65	26687.875	22298.4	28414		7104		7104		7104		7104
<i>Farm (seed plus releases)</i>	0%		28280	30383.5	33180	32361	20%	6472.2	20%	6472.2	50%	16180.5	10%	3236.1
Total Consumption			78150	81760	81406	89518		21719.301		20012.301		29825.601		17961.201
Closing Stock			18935	24185	31100	27784.59		99318.70		78491.40		47745.80		27784.59
								30-Jun-12		30-Sep-12		31-Dec-12		31-Mar-13
								As on		As on		As on		As on

Balance sheet highlights:

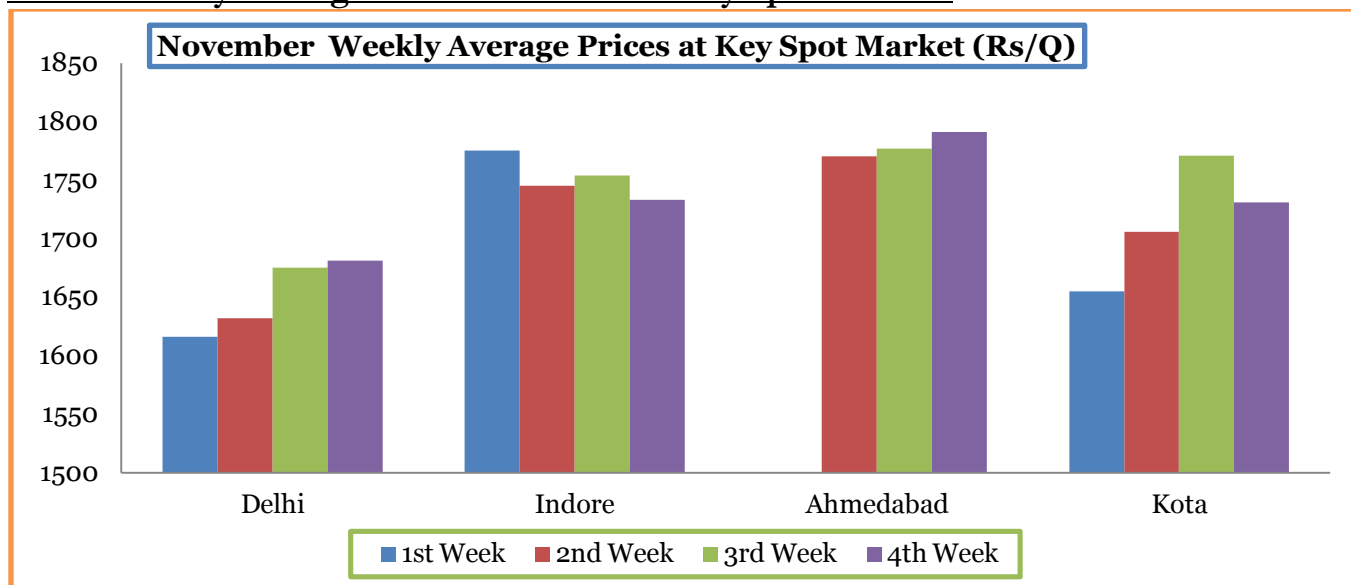
- Despite slightly lower production than expectation in 2012-13 the supply side is expected to remain comfortable and export will continue further provided parity remains favourable. We expect carry out to remain at 27.78 million tonnes including private trade stock and farmers combined stock of 5-6 million tonnes.
- Exports are expected at 6.2 million tonnes as compared to previous estimate of 5.5 million tonnes owing to reduction in export floor price by \$40/T to \$260/T and good response to recent tenders issued by PSU's.
- Consumption is expected to increase substantially owing to implementation of Food Security Bill and fast growing feed and confectionary industry.

Wheat Production estimate 2012-13 crop:

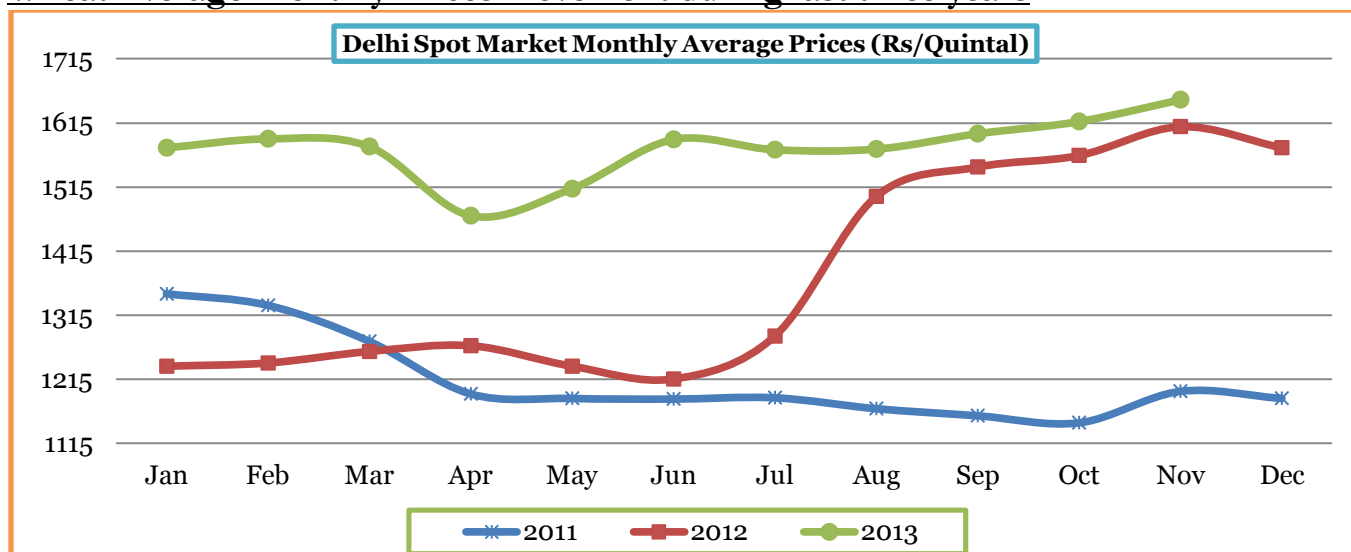
State	Production('000 Tonnes)		Area('000 Hectares)		Yield('Kg/Hectare)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	4th Advance Estimate	Final Estimate	4th Advance Estimate	Final Estimate	4th Advance Estimate	Final Estimate
Andhra Pradesh	7	11	8	8	875	1375
Assam	57	60.3	48	52.6	1188	1147
Bihar	5375.1	4725	2215.1	2141.9	2427	2206
Chhattisgarh	141.3	133.1	101.2	108.5	1396	1227
Gujarat	3135	4072	1050	1351	2986	3014
Haryana	11117	12685.7	2497	2522	4452	5030
Himachal Pradesh	543.5	595.8	325.9	356.6	1514	1671
Jammu & Kashmir	415.8	500.3	296.2	296.2	1404	1689
Jharkhand	267.4	302.6	155.8	158.6	1716	1908
Karnataka	172	193	234	225	735	858
Madhya Pradesh	13133.4	11538.5	5300	4889.2	2478	2360
Maharashtra	875	1313	594	843	1473	1558
Orissa	2.1	2.4	1.3	1.5	1672	1644
Punjab	16106.1	17280.1	3522	3528	4573	4898
Rajasthan	8953.5	9319.6	2820	2935.3	3175	3175
Uttar Pradesh	30301.9	30292.6	9734	9731	3113	3113
Uttarakhand	838	878	358	369	2341	2379
West Bengal	907	872.9	322	315.7	2817	2765
Others	110	106.1	31.3	31.8	3514	3337
All India	92458.2	94882.1	29646.7	29864.8	3119.0	3177.0

Note: All figures are as per Ministry data.

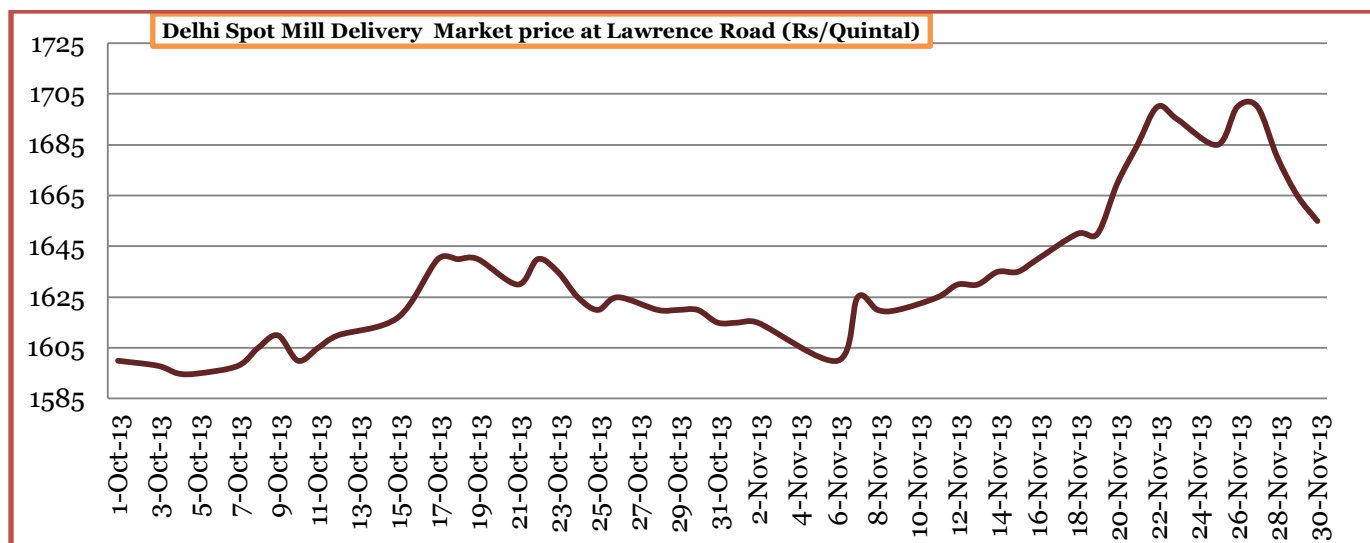
Wheat Weekly Average Price Movement at key Spot Market:



Wheat Average Monthly Prices movement during last three years



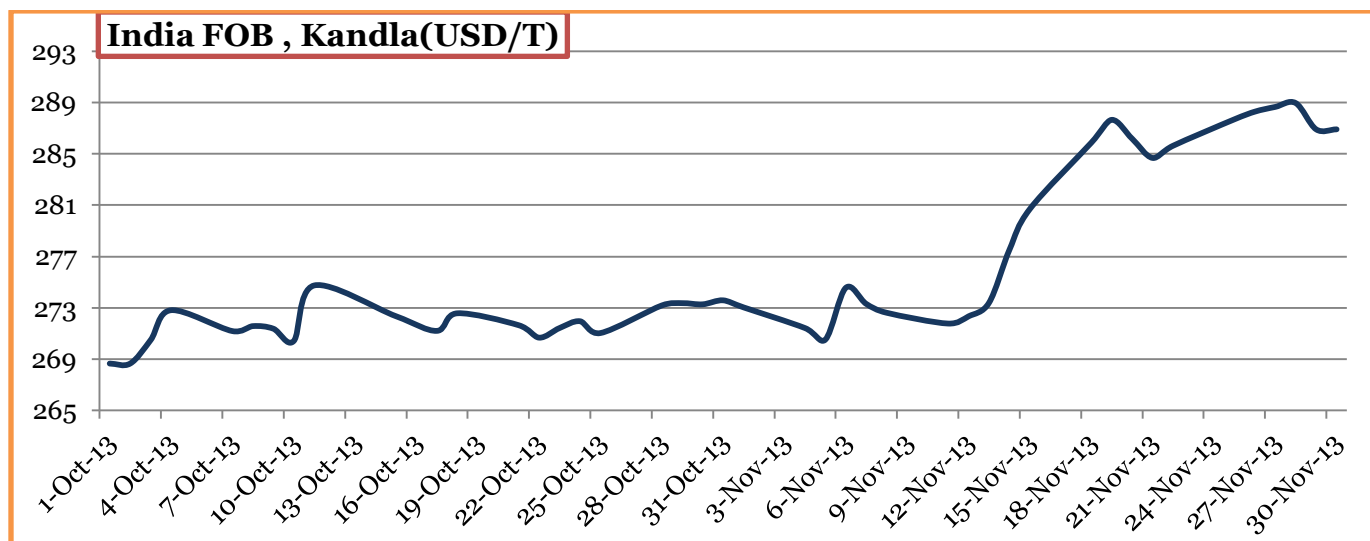
During the month of November prices has traded firm due to higher demand and increase in OMSS prices over previous month. Prices may remain on higher side in next demand as wheat sowing may keep farmers preoccupied and this may result in lower arrivals and subsequently higher prices.



Wheat Exports from India

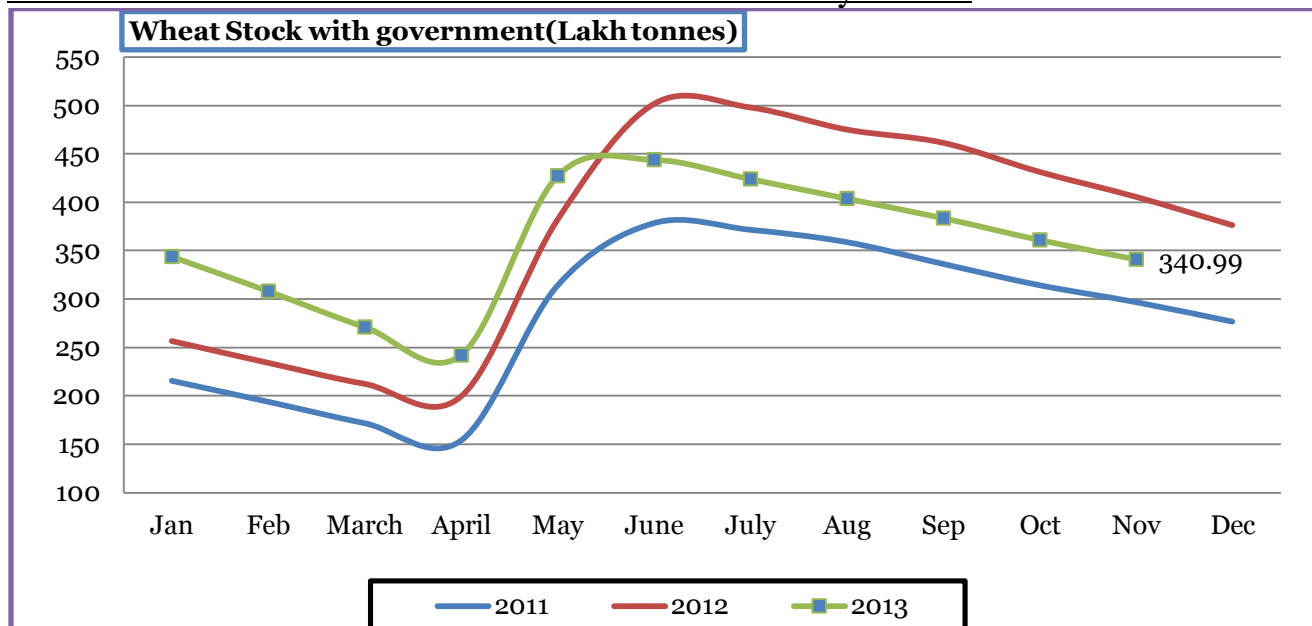
	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.38	232.12	237.46
Apr 12 -Mar13	64.96	298.18	286.71
Apr-13	8.32	303.06	256.85
May-13	8.66	309.11	258.13
June-13	8.24	291.51	252.70
July-13	4.46	282.82	243.62
Aug-13	3.18	265.67	240.16
Sept-13*	0.52	267.21	240.05
Oct-13*	0.57	271.70	253.25
Total 13-14	33.94	284.44	249.25

(Source: DGCIS, *Provisional data from IBIS)

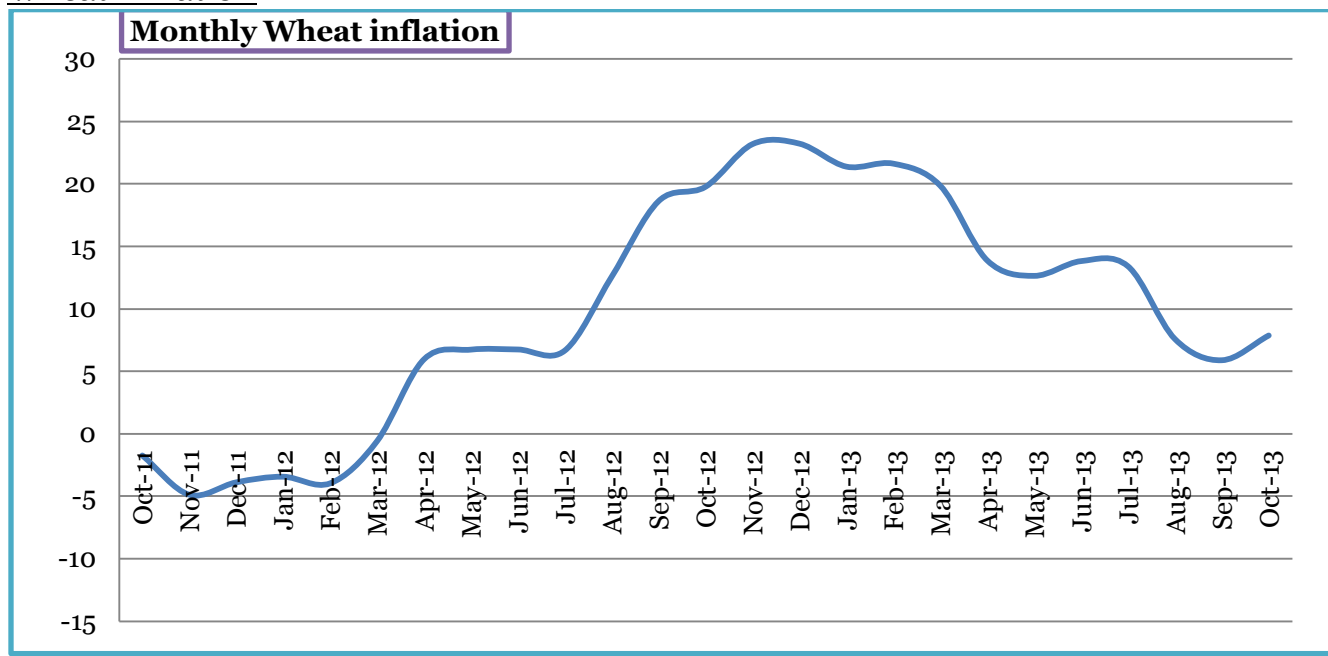


Indian wheat FOB has firmed in November as rupee strengthened and increase in price of wheat from government stock. Exports from private trade too has resumed as Indian wheat has become competitive for Middle East and South East Asian market as Black sea region wheat too has firmed.

Wheat Stocks with the Government as on 1st of Every Month



Wheat Inflation



Monthly Average Prices at Various Spot Market					
	Delhi	Indore	Kota	Rajkot	Chennai
November	1607.00	1605.50	1589.90	1594.16	1928.90
December	1576.00	1581.00	1606.00	1605.83	1928.30
January 2013	1577.00	1593.15	1615.66	1587.50	1896.45
February 2013	1589.58	1607.61	1614.47	1570.00	1865.78
March 2013	1578.12	1525.80	1504.47	1492.85	1816.05
April 2013	1469.80	1503.33	1515.62	1460.83	1776.25
May 2013	1512.77	1584.60	1611.91	1521.11	1866.95
June 2013	1589.20	1606.66	1606.73	1565.20	1896.30
July 2013	1572.96	1603.84	1597.96	1549.03	1843.34
August 2013	1573.78	1619.72	1584.35	1550.62	1855.29
September 2013	1597.60	1645.71	1588.88	1566.73	1846.66
October 2013	1616.79	1698.00	1620.04	1572.94	1883.09
November 2013	1651.04	1698.75	1634.16	1631.17	2008.05

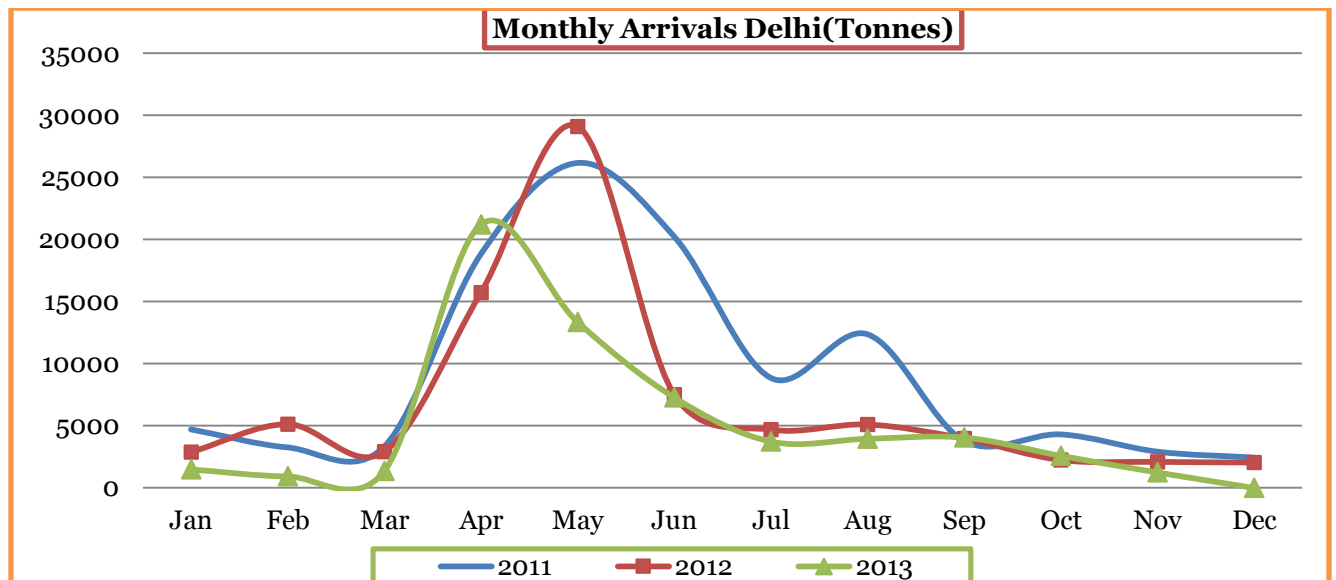
Wheat inflation has increased in October to 7.88 % year on year basis from 5.90 % in September 2013. WPI has increased substantially to 213.60 in October 2013 from 210.10 in September 2013. Inflation has increased by 1.64 % month on month basis.

Monthly Price Comparison of Spot Markets:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30/11/2013	31/10/2013	
Delhi	Lawrence Road	Mill Delivery	1665	1615	50
	Nazafgarh	Mill Quality Loose	1650	1575	75
	Narella	Mill Quality Loose	1635	1560	75
Gujarat	Rajkot	Mill Delivery	1740	1760	-20
	Ahmadabad	Mill Delivery	1790	1760	30
	Surat	Mill Delivery	1820	1810	10
M.P.	Bhopal	Lokwan	1650	1750	-100
	Indore	Mill Delivery	1725	1800	-75
Rajasthan	Kota	Mill Quality	1610	1575	35
	Kota	Mill Delivery	1700	1670	30
U.P.	Kanpur	Mill Delivery	1675	1590	85
	Mathura	Mill Quality	1610	1500	110

		Loose			
	Kosi	Mill Delivery	1800	1600	200
Punjab	Khanna	Mill Quality Loose	1570	1450	120
	Jagraon	Mill Delivery	1600	1510	90
Haryana	Sirsa	Mill Delivery loose	1550	1520	30
	Hodal	Mill Delivery	1700	1660	40
Tamil Nadu	Chennai	Mill Quality	2025	1905	120
	Madurai	Mill Quality	2082	1962	120
	Coimbatore	Mill Quality	2082	1962	120

Monthly Arrivals at Delhi (Narella and Najafgarh)



Domestic Outlook: Spot and Future markets are expected to trade steady to slightly firm owing to fresh demand from millers, declining stock with farmers/Private traders and exports demand.

International Market Dynamics:

Global wheat markets have improved slightly on the back of increasing possibility of crop loss in Argentina and Brazil due to frost. Import demand from China, Brazil and Iran along with lower production estimate in 2014-15 in Ukraine due to excess rain may push Spot and Future prices north.

IGC sees global wheat production at 698 million tonnes as compared to 696 million tonnes in previous month estimate as crop prospects has improved in china. Trade is expected to increase by 6 million tonne over year and Consumptions is expected to rise by 2 million tonnes to 692 million tonnes over previous forecast. Carryover stocks are expected to increase to 181 million tonnes from 175 million tonnes over previous year owing to rise in production.

IGC Wheat Balance Sheet

(Quantity in MMT)

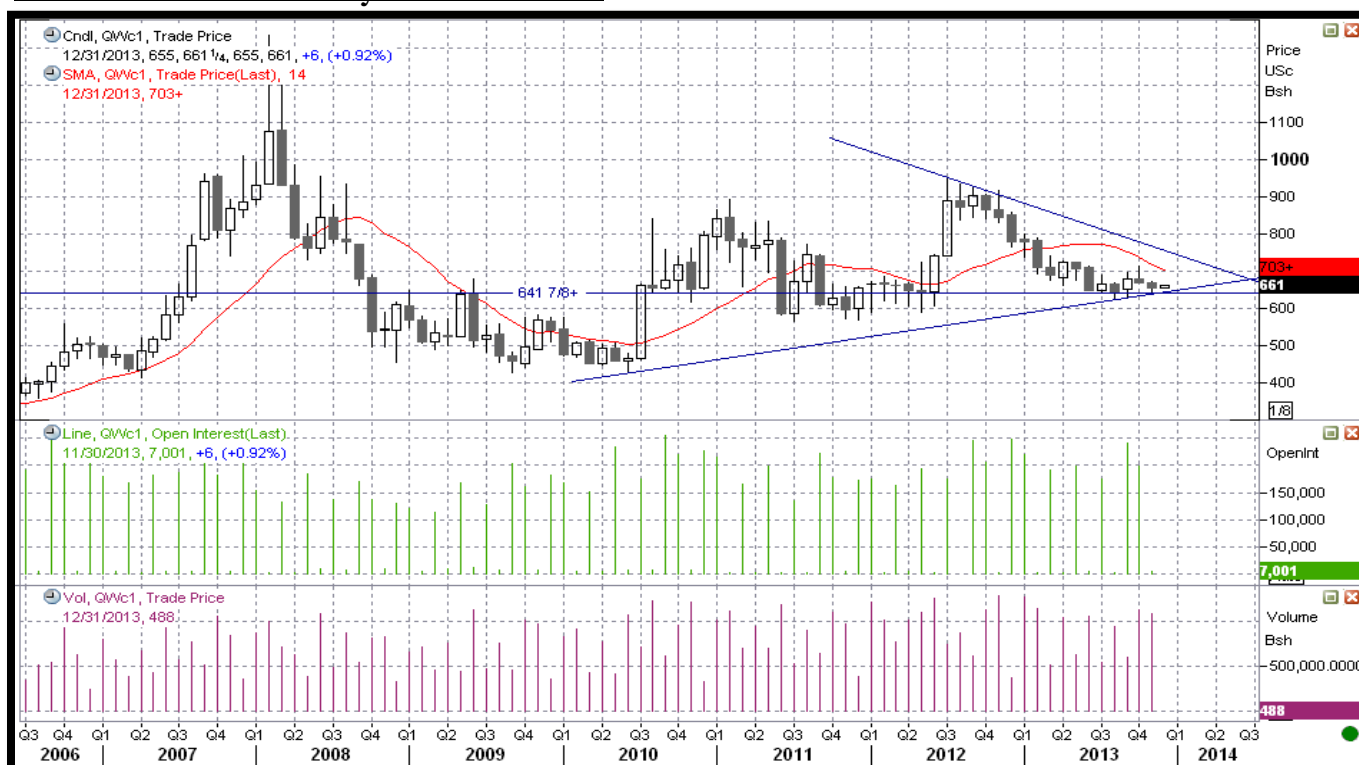
	2009-10	2010-11	2011-12	2012-13 est	Projection for 2013-14	
					31.10.2013	29.11.2013
Production	679	653	695	655	696	698
Trade	128	126	145	141	142	142
Consumptions	652	657	696	673	690	692
Carryover stocks	199	194	193	175	182	181
Y-O-Y change	27	-4	-1	-19	7	6
Major Exporters		73	69	50	53	51

IGC Balance Sheet Highlight

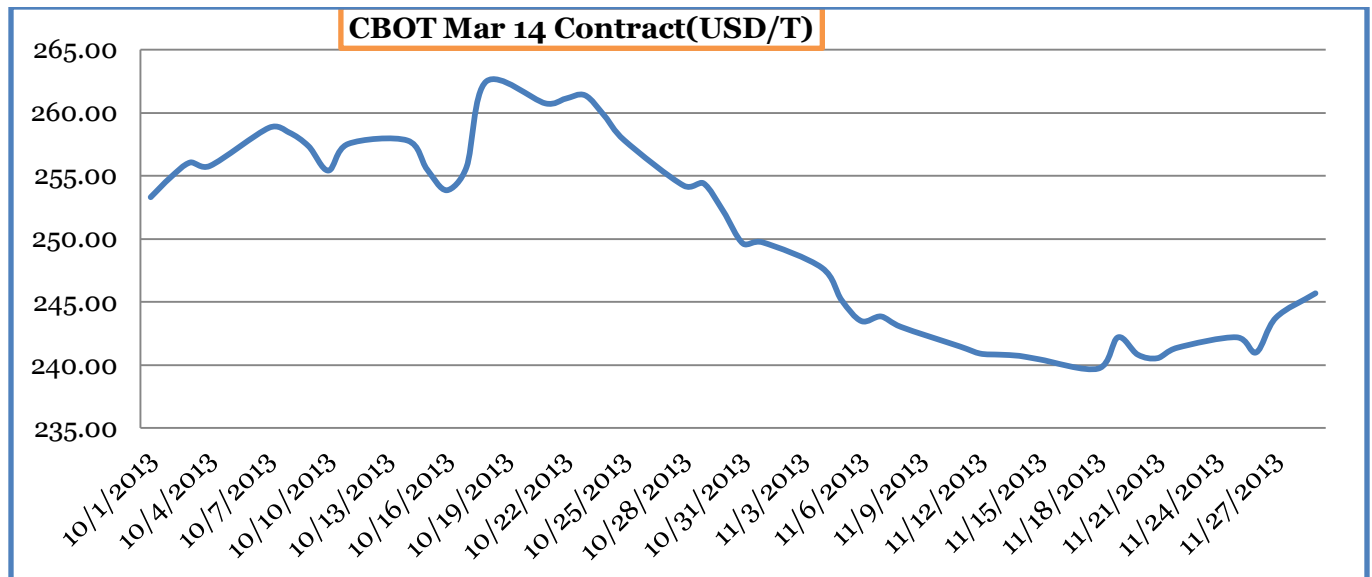
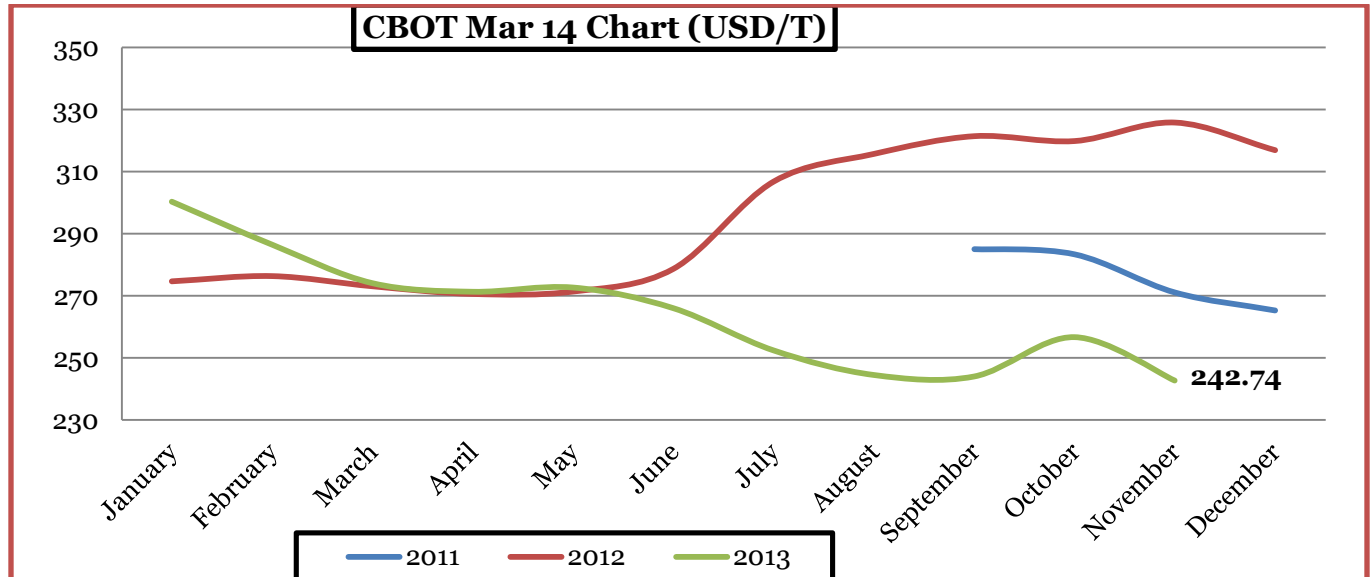
- The IGC GOI wheat sub-Index fell 3% month on month basis, led by slowing export demand and good winter wheat conditions in the US, but contained by limited CIS export availability and quality concerns.
- Increased figures for China and the US boost the forecast for world wheat production to 698 million tonnes, up 7% year on year basis, while total use is anticipated at 692 million tonnes, 3% higher year on year basis.
- The end-season stocks projection is slightly lower than last month, at 181 million tonnes, including a small reduction in the aggregate for the major exporters, but is still up 6m year on year basis.
- World trade is seen at 142 million tonnes, a small year on year increase, boosted by higher demand from China

USDA Global Wheat Balance Sheet Fig.in MMT							
Country	Opening stock 2013-14	Production projected 13-14	Domestic consumption (2013-14)	Import 13-14	Export 13-14	Ending stock 13-14	Production last year
USA	19.54	57.96	36.27	3.58	29.93	15.07	61.75
Canada	5.05	33.20	10	.49	21.50	7.24	27.20
Australia	3.70	25.50	6.55	.12	19	3.77	22.08
Argentina	.59	11.00	6.05	.005	4.5	1.04	09.50
Russia	5.18	51.50	35.00	.5	16	6.18	37.72
China	53.93	121	125.50	8.5	1	56.93	121.00
EU	10.01	143.34	121.75	4.5	24	12.1	133.20
Ukraine	2.18	22	11.50	.1	10	2.78	15.76
Pakistan	2.62	24	24	.9	.5	3.02	23.30
India	24.2	92.46	89.97	.01	6.5	20.20	94.88
Others	48.57	124.41	232.70	130.32	20.78	49.82	130.57
World total	175.58	706.37	699.29	149.52	153.72	178.47	655.93

CBOT Mar 14 Monthly Future Chart:



CBOT March 14 monthly chart shows the uptrend due to import demand from China, Iran and Brazil. We expect prices to trade steady to moderately firm in the month of December, within the range of USD 240-260/MT.



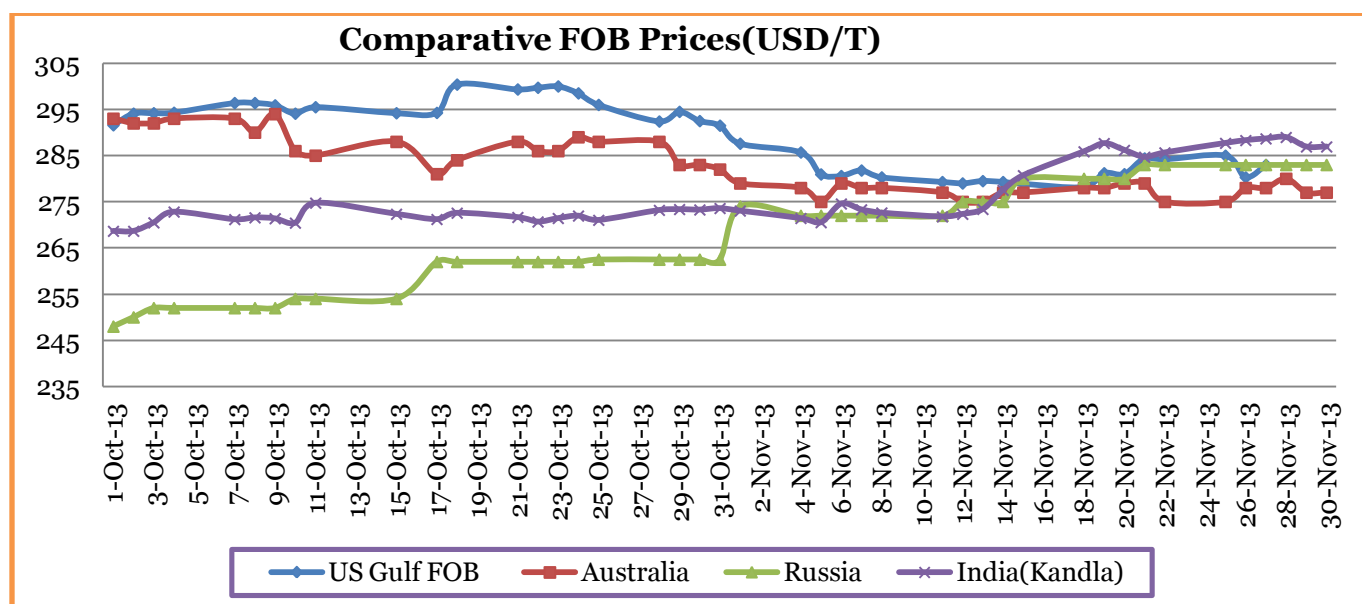
CBOT Mar 2014 contract traded in downtrend due to technical selling and cheap availability of corn. CBOT is expected to trade steady to moderately firm in December owing to import demand from China, Brazil and Iran.

CBOT comparison over period of time:

CBOT Futures Prices: Date: 29.11.13 (USD/T)							
CONTRACT MONTH	29 Nov 13	Week ago (22 Nov 2013)	1 Month ago(29 Oct 13)	3 Month ago(29 Aug 13)	6 Month ago(29 May 13)	1 Year ago(29 Nov 12)	% Change over previous year
13-Dec	240.65	238.63	250.29	240.37	267.19	330.38	-27.16
14-Mar	245.70	241.38	254.42	244.60	272.79	331.85	-25.96
14-May	247.54	242.94	256.08	247.26	276.19	326.80	-24.26
14-Jul	246.43	242.12	253.32	244.78	277.75	312.29	-21.09
14-Sept	249.28	244.96	256.08	247.90	279.41	312.47	-20.22
14-Dec	245.61	249.01	259.94	252.50	282.07	314.86	-22.00

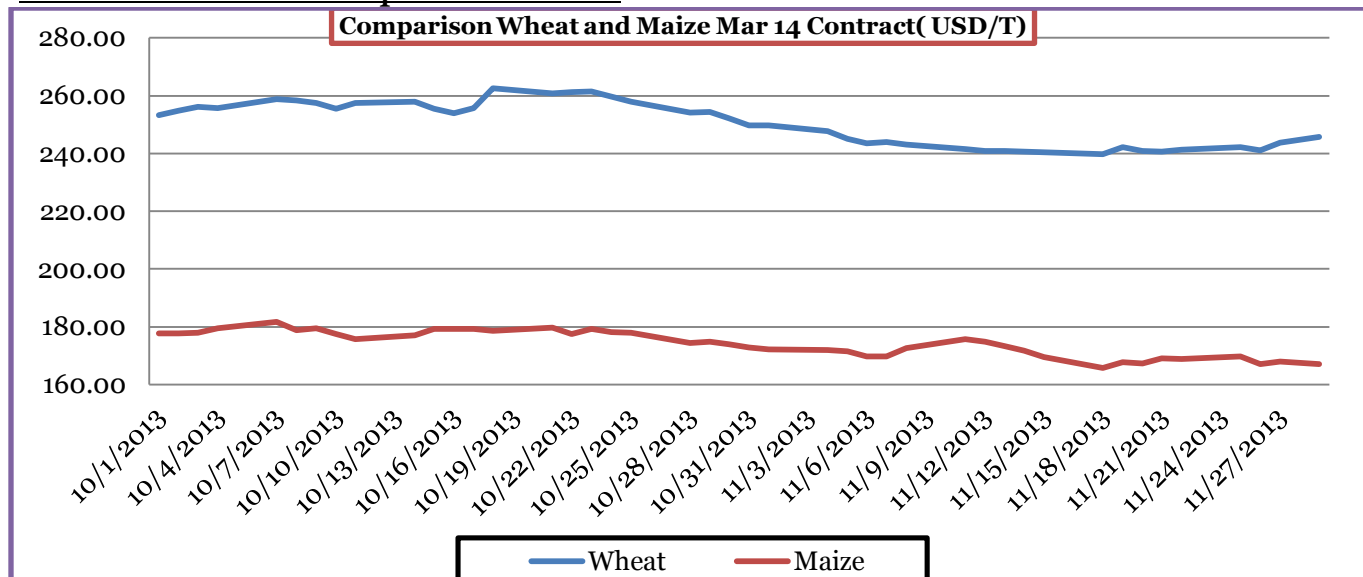
Comparative Month on Month FOB quotes: (Fig in \$ /MT)

All prices are for SRW /milling grade, comparable to Indian quality	1st September	1st October	1st November	1st December
USA	274.00	291.60	292.00	284.50
France	249.50	256.70	NA	NA
United Kingdom	245.40	251.20	NA	NA
Australia	300.00	293.00	282.00	280.00
Russia	243.00	248.00	262.50	283.00
India	258.12	268.64	273.57	287.60



International FOB has been trading steady to slightly firm due to demand from China owing to paucity of higher quality wheat, from Brazil due to frost damaging the crop and demand from Iran has also firmed the market. Australian prices has fallen due to harvesting pressure and improved crop situation.

Wheat and Maize Comparison CBOT:



It can be seen from above chart that Wheat and Corn prices follow each other as both are the ingredients of feed. This year corn production is expected to rise; this means more corn is available at cheaper price to substitute it with feed wheat. This may further decrease feed wheat demand globally.

International Outlook: International Spot and Futures Market is expected to trade steady to slightly firm owing to fresh demand from Brazil, China and Egypt might support markets at lower levels.

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