

### Domestic Market Updates:

**Domestic prices are unlikely to dip in near future as Wheat prices at U.P** will increase due to tender price raised by Rs 170/Q to Rs 1573/Q. As a result prices have increased at key spot centers in the week under review.

**According to traders, from Indore Machine cleaned wheat** is going to Mumbai, Karnataka, Madras and Calcutta in 5, 10 and 30 Kg Bags. Local demand is sluggish and new crop is expected to arrive by 1st week of March. Mill Quality wheat is being bought from Bhopal Mandi by traders and millers of Ahmadabad, Hyderabad, Mumbai and other South Indian Cities. From Bhopal Delivered price to Hyderabad is Rs 1800-1870/Q, to Ahmadabad is Rs 1750-1760/Q, to Mumbai Rs 1730-1740/Q and local prices is Rs 1400/Q. Stocks are available in plenty at Bhopal.

**Weather remains favorable for the wheat growth, and as** of now it is expected that this year's crop will be around 95 million tonnes due increased area in key growing states like U.P., Punjab, Haryana, Rajasthan and Madhya Pradesh.

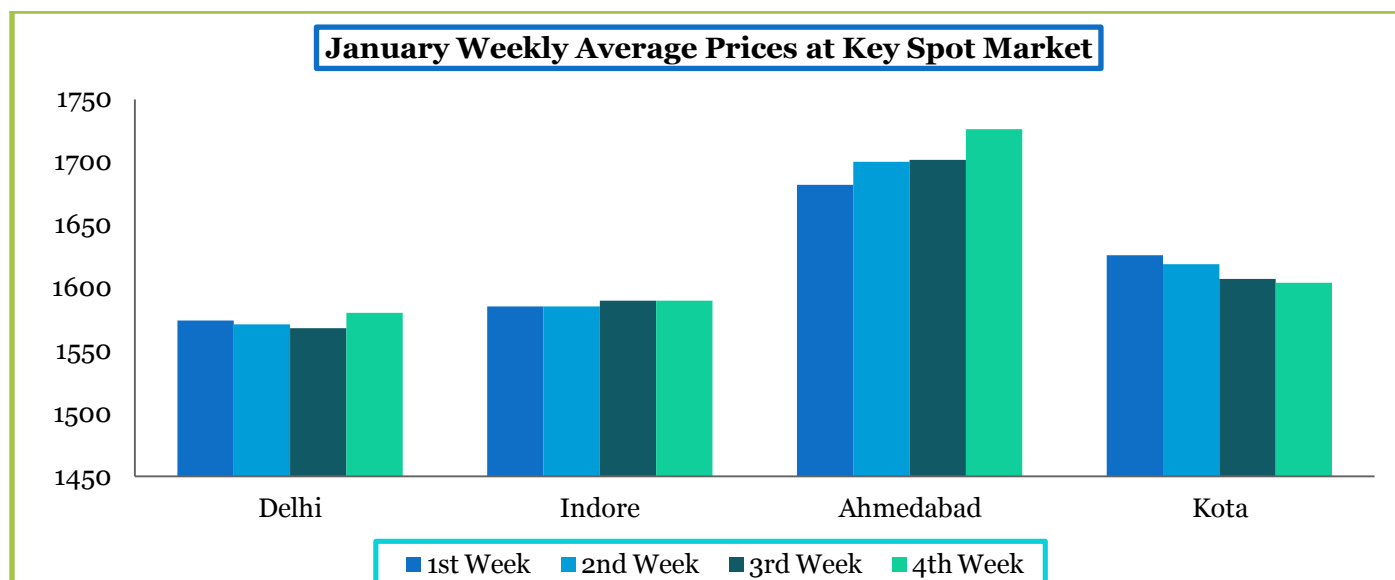
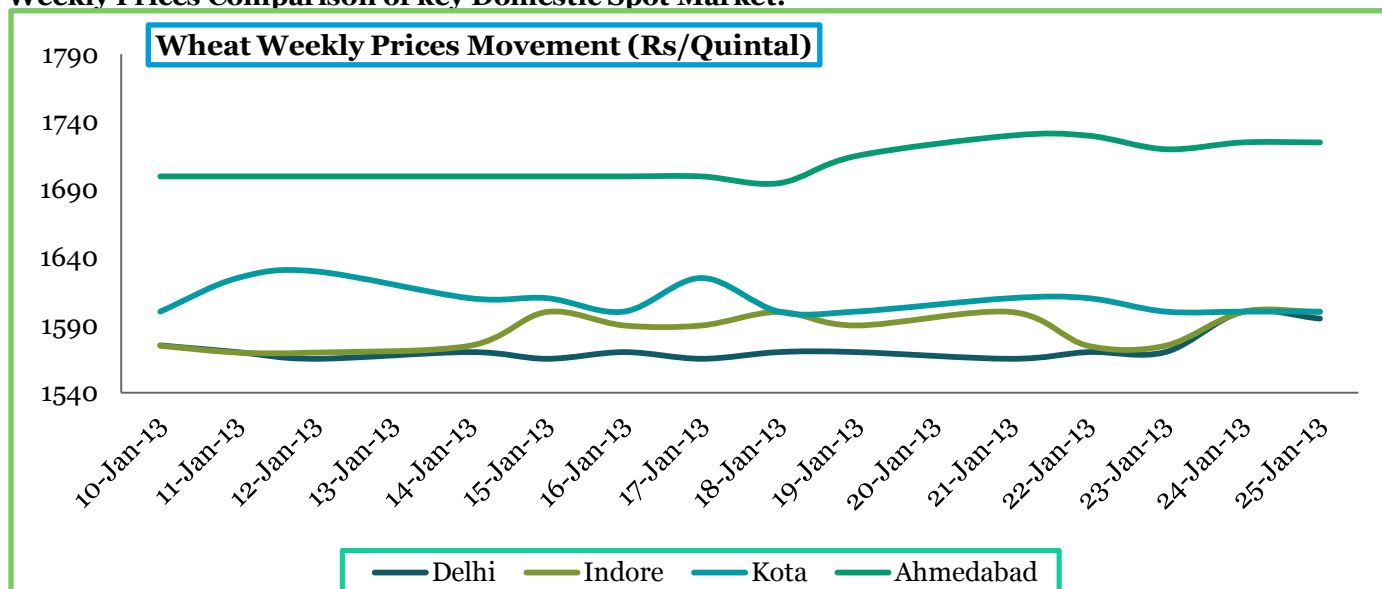
**At export front, demand for Indian wheat has picked up** in the past week and exporters like Cargill and LDC are active in market. Recent surge in international demand will support Indian exports. Latest quote for Indian wheat through PSU tender registered at \$309 per T. It may go up in next tender in the range of USD 310 to USD 315 per T.

**Despite news of yellow and brown rust from some** pockets of Punjab and Haryana wheat production prospects are very good so far. We expect total production to cross last year's level of 93.9 million T. Stock in government godowns may exceed last year's level if almost 10 million T stock from government godowns is not offloaded in the international market in the marketing year starting from April 2012.

**Recent wide spread rains in major wheat growing areas** have brightens the production prospect. Lower temperature at this point of time is beneficial to the entire growth of the plant. Lower area coverage in Rajasthan, Gujarat and Maharashtra is expected to be covered by higher area coverage in Madhya Pradesh, U.P, and Bihar. Late variety is still being sown in U.P. and Bihar.

### Weather Watch:

- The All India area weighted rainfall during the week (0.8 mm) was -83 per cent below normal (4.7 mm).
- The cumulative seasonal rainfall during 1st January to 16th January 2013 for the country as a whole was 2.1 mm which is -78 per cent below normal rainfall of 9.3 mm.
- In the country, 5 per cent districts received excess and 3 per cent districts received normal rainfall during post monsoon season so far. However, 5 per cent districts received deficient and 16 per cent districts received scanty rainfall and 71 per cent districts received no rainfall.

**Weekly Prices Comparison of key Domestic Spot Market:**


Prices have increased due to strong demand and the increase in the wheat release price by government from U.P by Rs 170/Q.

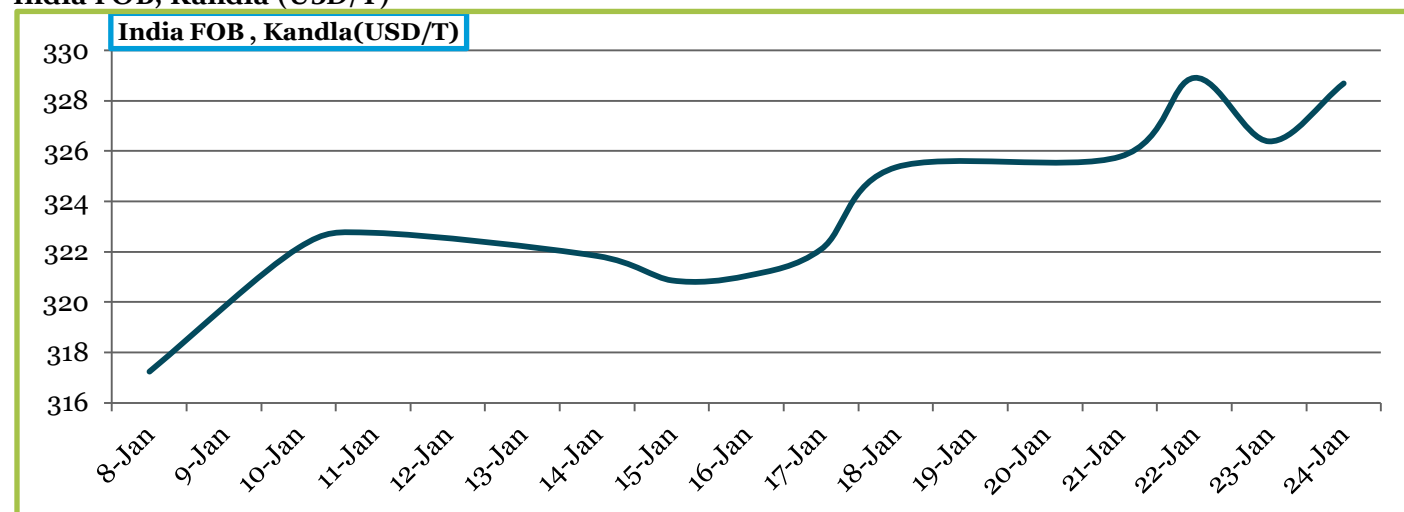
STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.01.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	319.11	3.10	322.21
WHEAT	341.50	2.33	343.83
Wheat lying in Mandies	0.00	0.00	0.00
<b>TOTAL</b>	<b>660.61</b>	<b>5.43</b>	<b>666.04</b>
COARSE GRAINS	0.89	0.00	0.89
SUGAR	0.24	0.11	0.35
<b>GRAND TOTAL</b>	<b>661.74</b>	<b>5.54</b>	<b>667.28</b>

(Figures in Lakh Tonnes)

**FOB Value as on 25.01.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16650	15900	15500	15900	15500	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)	17650	17550	17900	17850	17550	14550	18220
<b>Indian FOB (USD/MT)</b>	<b>328</b>	<b>326</b>	<b>332</b>	<b>331</b>	<b>326</b>	<b>270</b>	<b>338</b>
Insurance @ 0.1%	0.33	0.33	0.33	0.33	0.33	0.27	0.34
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
<b>CIF (Kandla to Chittagong)</b>	<b>346</b>	<b>344</b>	<b>350</b>	<b>349</b>	<b>344</b>	<b>288</b>	<b>356</b>
INR	53.85	53.85	53.85	53.85	53.85	53.85	53.85
Russian Wheat FOB (USD/MT)	-	-	-	-	-	-	-
Parity on FOB Basis (USD/MT)	-	-	-	-	-	-	-

Spot Prices of Wheat at NCDEX Delivery Centers					
NCDEX SPOT	24 Jan,2013	week ago 17 Jan 13	Month ago 24 Dec 12	Year ago 24 Jan 2012	change over previous Year %
<b>Bareilly</b>	1600	1540	1550	1218	<b>31.36</b>
<b>Delhi</b>	1588	1569	1578	1245	<b>27.55</b>
<b>Indore</b>	1568	1563	1585	1230	<b>27.48</b>
<b>Khanna</b>	1671	1672	1668	1314	<b>27.17</b>
<b>Kota</b>	1643	1650	1638	1234	<b>33.14</b>
<b>Kanpur</b>	1550	1500	1495	1165	<b>33.05</b>
<b>Karnal</b>	1578	1485	1530	1358	<b>16.20</b>
<b>Rajkot</b>	1645	1638	1650	1202	<b>36.86</b>

**India FOB, Kandla (USD/T)**


**Wheat Export Monthly Data:**

	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	4.26	320.19	317.04
Dec-12	6.42	326.70	299.60
<b>Total</b>	<b>40.16</b>		

**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			<b>25.01.2013</b>	<b>19.01.2013</b>	
<b>Delhi</b>					
	Lawrence Road	Mill Quality	1595	1570	<b>25</b>
	Nazafgarh	Mill Delivery Loose	1550	1550	<b>Unch</b>
	Narella	Mill Delivery Loose	1540	1520	<b>20</b>
<b>Gujarat</b>	Rajkot	Mill Delivery	1660	1640	<b>20</b>
	Ahmedabad	Mill Delivery	1725	1715	<b>10</b>
<b>M.P.</b>	Bhopal	Mill Quality Loose (Lokwan Price)	1650	1600	<b>50</b>
	Indore	Mill Delivery	1600	1590	<b>10</b>
<b>Rajasthan</b>	Kota	Mill Quality	1600	1600	<b>Unch</b>
<b>U.P.</b>	Kanpur	Mill Delivery	1535	1555	<b>35</b>
<b>Punjab</b>	Khanna	Mill Quality Loose	1475	1480	<b>-5</b>
<b>Haryana</b>	Sirsa	Mill Delivery loose	1520	1515	<b>5</b>

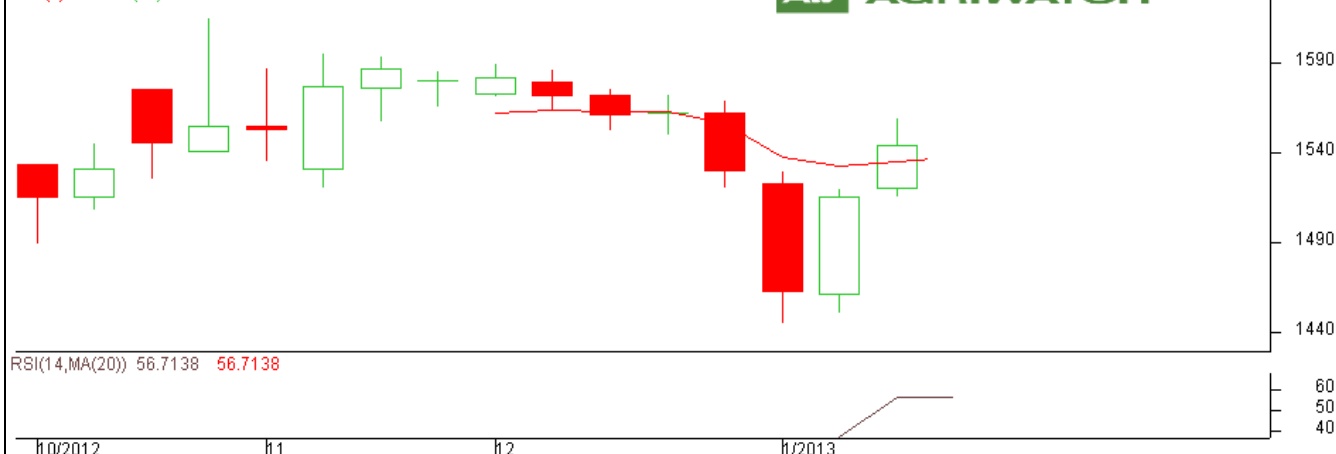
**Commodity: Wheat**  
**Contract: February**

**Exchange: NCDEX**  
**Expiry: February 20<sup>th</sup>, 2012**

### Wheat (Weekly Chart)

O 1542.00 H 1557.00 L 1542.00 C 1548.00 V 41016,390 +4 +0.26%

EMA(9) 1537.6 (18) 1537.6



### Technical Commentary:

- Market is moving upward and candlestick chart depicts Bullishness.
- Fall in OI but rise price hints towards Short Covering.
- Oscillator RSI is in neutral Zone.
- Prices closed above 9 and 18 days EMA.

### Strategy: Buy from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	February	1490	1515	1544	1589	1600
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	February	<b>Buy</b>	1538-1543	1555	1565	1528

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

**Domestic Weekly Outlook:** Spot and Future market is expected to trade steady this week as fresh export and domestic demand will support prices and increase in the wheat release price at U.P too will support prices.

### International Market Updates:

**Heat wave in Australia is hurting the wheat sowing prospects for 2013 crop.** Wheat planting is still two months away but high temperature has taken the much needed soil moisture away. This year too Australia had a lower crop of 22 million tonnes as compared to previous year's 29.5 million tonnes.

**Ukraine has sown 2013 wheat crop in 6.7 million hectares** and is expected to produce 19 million tonnes, as of now 92% of the crop is in good to satisfactory condition. However winter kill in Russia and persistent drought in US might weight on the positive sentiments from Ukraine and prices may not fall much if current situation in Russia and US continues.

**Algeria imported 6.2 million tonnes of wheat in 2012 as compared to 7.4 million tonnes**, however it is expected that in 2013 wheat exports are expected to be high due to poor weather condition in last quarter of 2012. The total value of imports is USD 2.1 billion in 2012, versus \$2.8 billion in 2011.

**Russia has exported 9.95 million tonnes of wheat till Mid-January.** Wheat exports from Black Sea terminals are low and Azov Sea terminal is also exporting minimal quantities. Current 14.5% wheat protein prices are estimated at USD 345/Tonne, FOB Azov Sea terminal.

**IGC estimates that total harvested area is expected to increase by 2.1% in 2013-14**, the highest since 1998. Winter wheat condition is good in Europe but drought is still persistent in US HRW (Hard Red Winter) growing areas. World production estimate for 2012-13 has been increased from previous estimate of 654 million tonnes to 656 million tonnes as production is expected to improve in Australia, Canada, china and EU.

**IGC has estimated that world wheat trade will be 137 million tonnes** as compared to previous estimate of 134 million tonnes in 2012-13 as Australia, Canada and India are expected to export more. No change is reported in Consumption; however carryover stocks have been increased by a million to 174 million tonnes. This might pressurize market.

**South Korean feed manufacturer Nonghyup Feed Inc. has bought a 60,000 MT feed wheat** of any origin including Indian from Glencore at USD 324/T CFR basis. Earlier there were rumors that some South Korean firms were looking for other than Indian origin wheat due to presence of high levels of foreign matter, pushing up processing costs.

**IGC Wheat Balance Sheet**

(Quantity in MMT)

	2007-08	2008-09	2009-10	2010-11	2011-12 estimated	Million T	Projection for 2012-13
						29.11.2012	17.01.2013
<b>Production</b>	607	685	679	653	694	654	656
<b>Trade</b>	110	137	128	126	145	134	137
<b>Consumption</b>	603	645	652	659	692	678	678
<b>Carryover stocks</b>	132	173	200	194	196	173	174
<b>Y-O-Y change</b>	5	41	27	-6	-6	-23	-22
<b>Major Exporters</b>	47	69	79	73	73	50	51

**Indicative FOB Quotes:**

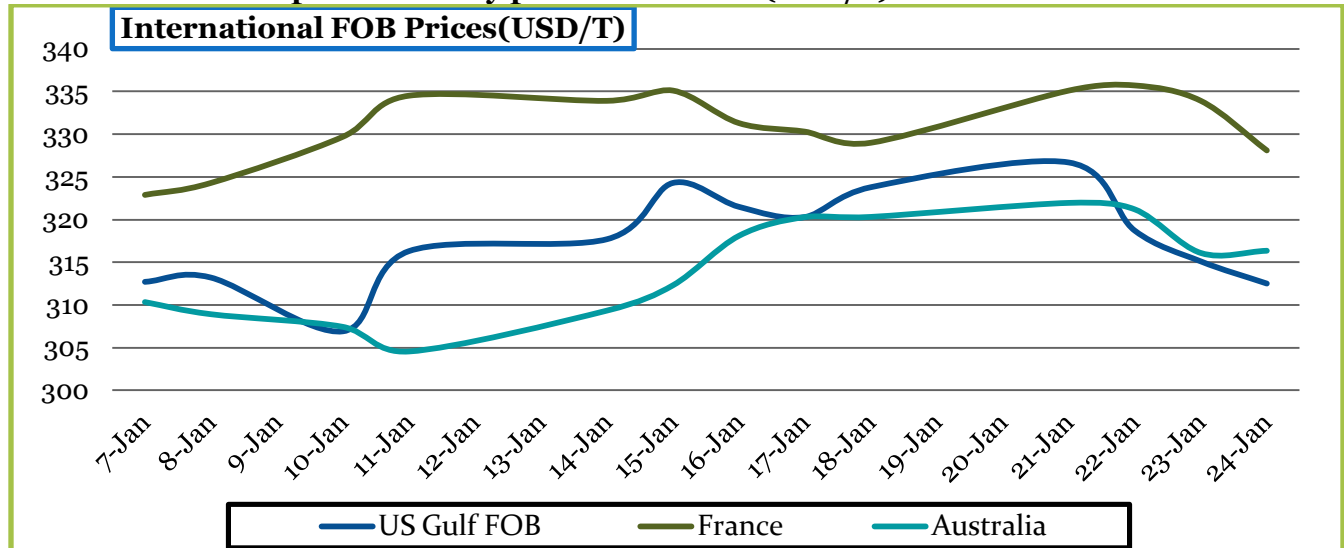
	Variety	% Change over Prev. Year	24.01.13	Week Ago 17.01.13	Month Ago (December)	3 Months Ago (Oct)	Year Ago (Jan)
<b>USA (Chicago)</b>	RTRS 2srw	<b>20.19</b>	312.50	320.30	317.70	349.00	260.00
<b>France</b>	FCW3		328.10	330.30	338.80	347.40	271.30
<b>United Kingdom</b>	Feed wheat	<b>23.83</b>	335.30	340.80	340.20	332.10	255.40
<b>Australia</b>	CWRS	<b>22.24</b>	316.36	320.30	321.60	340.00	246.00
<b>Russia</b>	SRW	-	NA	NA	345.00	337.00	262.00
<b>Canada(Spot)</b>	Q2FW	<b>19.46</b>	301.20	299.30	301.90	305.20	242.60
<b>Ukraine</b>	SRW	-	NA	NA	341.00	334.00	260.00
<b>Argentina</b>	SRW	<b>29.17</b>	360.00	360.00	360.00	340.00	255.00

Global wheat market is expected to trade between USD 310-345/T as US winter wheat area is still affected by draught and renewed buying interest might pull FOB's toward north but increased production estimate by IGC might restrict a sharp uptrend.

**CBOT FUTURES CONTRACT:**

CBOT Futures Prices: Date: 25.01.13(USD/T)							
CONTRACT MONTH	25 Jan 2012	Week ago (18 Jan 13)	1 Month ago(26 Dec 12)	3 Month ago(25 Oct 12)	6 Month ago(25 July )	1 Year ago(25 Jan )	% Change over previous year
Mar-13	285.29	290.71	284.55	325.79	334.33	264.16	<b>8.00</b>
May-13	288.32	293.83	288.23	327.90	327.17	268.20	<b>7.50</b>
July-13	289.69	295.57	290.80	318.54	298.60	270.68	<b>7.02</b>
Sept-13	292.91	298.88	295.48	321.66	297.32	271.88	<b>7.74</b>
Dec-13	297.96	303.75	300.17	324.32	300.35	275.55	<b>8.13</b>
Mar-14	302.37	307.97	303.93	326.43	302.09	278.31	<b>8.65</b>

**CBOT March 13 Future Contract Chart:**

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

**International Weather update: (Source-USDA)**

**Canada-** Wet, unseasonably mild weather dominated the region. Near to above normal precipitation provided beneficial moisture for overwintering grains and wheat in the main production areas. Heavier precipitation (10-50 mm) fell elsewhere, adding to an already deep snowpack protecting overwintering wheat and pastures in most northern districts, as well as parts of the southwest.

**Argentina-** Light rain returned to Argentina's southern production areas, boosting topsoil moisture. Weekly average temperatures were near-normal throughout central Argentina.

**Russia and Ukraine** –Snow depths were less than 5 cm from southern Ukraine into central and southern portions of Russia's Southern District, exposing winter grains to the elements.

**Australia-** A very hot start to the week, somewhat cooler weather overspread eastern Australia, creating slightly more favorable conditions for summer crop development. By the end of the week, however, very hot weather returned to eastern Australia.

**North West Africa-** A series of Mediterranean storms produced moderate to heavy showers (25-70 mm) from northern Morocco into northern Tunisia, alleviating concerns about short-term dryness and boosting topsoil moisture for vegetative winter grains.

**International Weekly Outlook:** International market is expected to trade up due to lower crop estimate in US due to draught and renewed buying interest from international buyers.

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