Domestic Market Updates:

India is expected to produce 92.3 million tonnes of wheat in 2013-14 which is lower than 2012-13, 94.88 million tonnes. Lower area coverage is witnessed in Rajasthan, Maharashtra and Gujarat and yield is expected to fall due to irregular weather conditions which will consequently result in lower production this year.

As on 1st February 2013, government has 308.09 lakh tonnes of wheat in stock. By the end of this fiscal year stocks are expected to be around 25 million tonnes. 16, 90,911 MT of wheat has been exported from government stocks till 31st Jan 2013, since April 2012. In next two months it is expected that 6-8 Lakh tonnes more can be exported.

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.

Demand for Indian wheat continued from Southeast Asian countries and higher demand is expected in the months ahead as latest development in global market hints toward positive prospects for Indian wheat. Govt. too seems eager to offload more wheat in the global market so that additional space for new crop could be created.

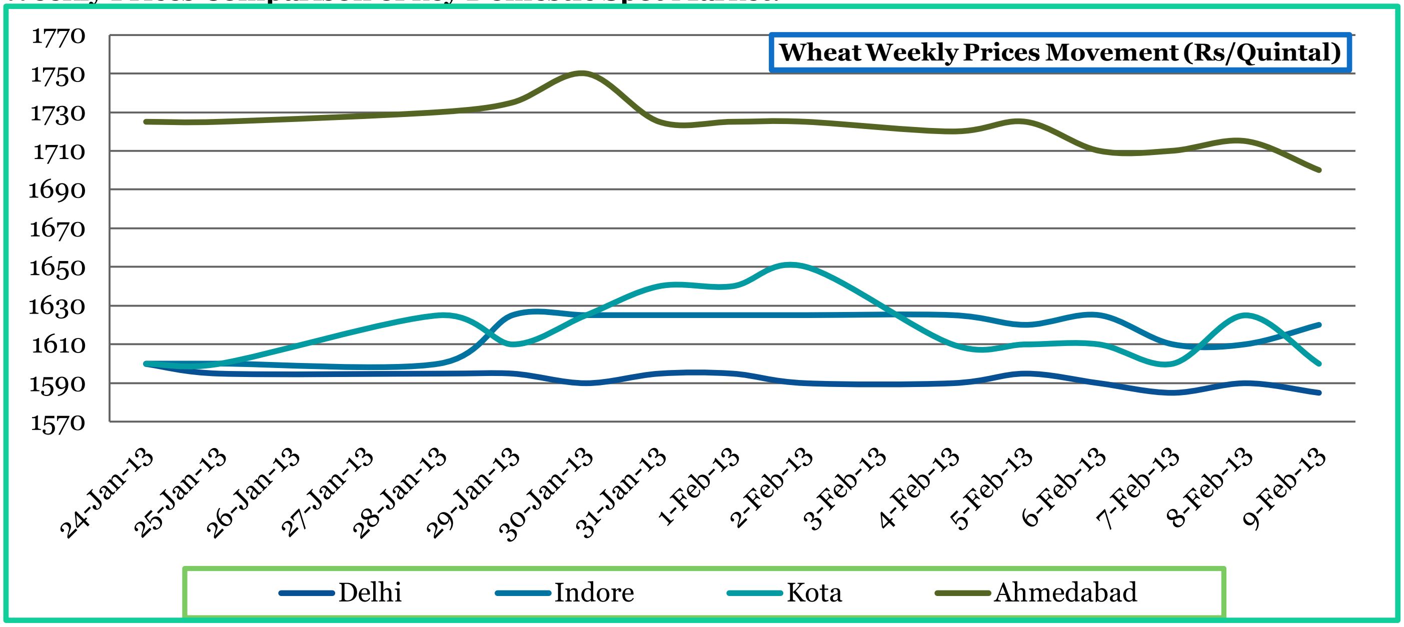
There is a growing fear in the market that wheat yield will not cross last year's level as sowing delayed by two weeks this year and temperature in the month of February will be crucial for the standing crop that are entering now in the flowering stage. Market experts say that two percent yield loss is a possibility if the standing crops don't get one –two shower of winter rains.

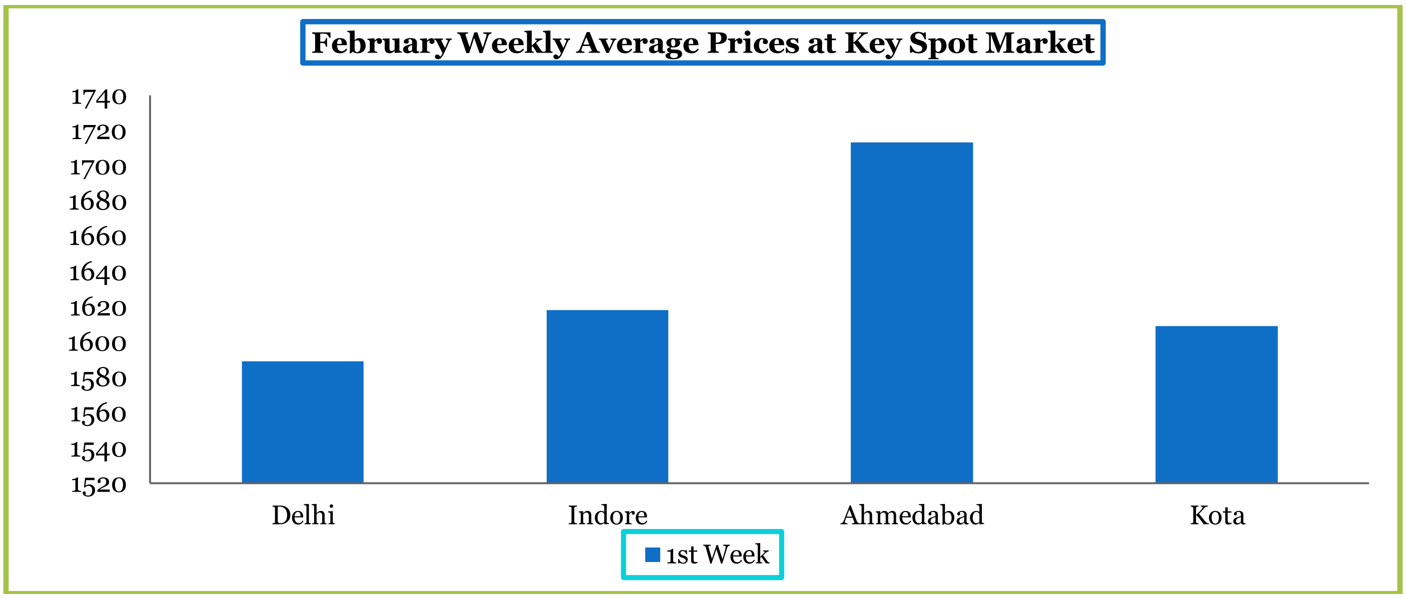
Wheat sowing has completed now and total area coverage is slightly lagging behind last year. Wheat has been sowed at 298.19 lakh hectares against 298.61 lakh hectares last year at the same time, almost forty thousand hectares lower than last year. Major area increase has been witnessed in M.P. and Uttar Pradesh. Lower area coverage in Gujarat and Maharashtra will remain the cause of concern.

Weather Watch:

- The cumulative seasonal rainfall during 1st January to 30th January2013 for the country as a whole was 11.2 mm which is -38 per cent below normal rainfall of 18.1 mm.
- In the country, 14 per cent districts received excess and 8 per cent districts received normal rainfall during post monsoon season so far. However, 11 per cent districts received deficient and 26 per cent districts received scanty rainfall and 41 per cent districts received no rainfall

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





STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.02.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	352.13	1.71	353.84
WHEAT	306.63	1.46	308.09
Wheat lying in Mandies	0.00	0.00	0.00
TOTAL	**658.76**	**3.17**	**661.93**
COARSE GRAINS	0.90	0.00	0.90
SUGAR	0.25	0.11	0.36
GRAND TOTAL	**659.91**	**3.28**	**663.19**

(Figures in Lakh Tonnes)

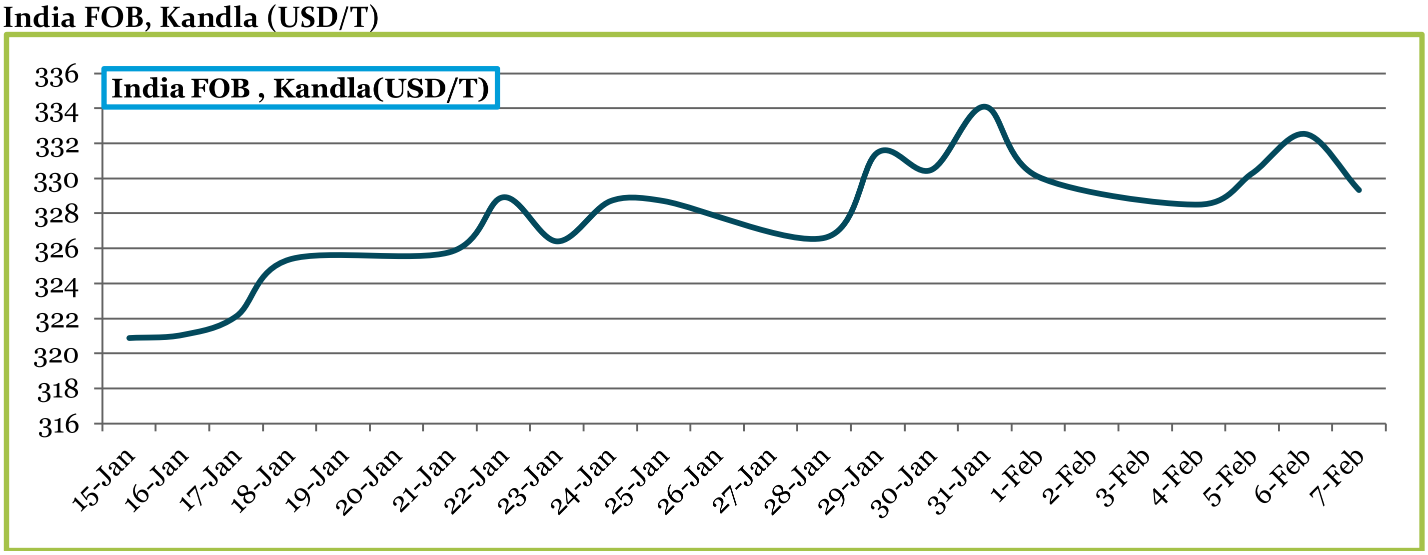
FOB Value as on 09.02.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16610	15800	15500	16100	15700	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)	17610	17450	17900	18050	17750	14550	18220
Indian FOB (USD/MT)	**328.79**	**325.80**	**334.20**	**337.01**	**331.40**	**271.66**	**340.18**
Insurance @ 0.1%	0.33	0.33	0.33	0.34	0.33	0.27	0.34
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	347	344	352	355	349	290	358
INR	53.56	53.56	53.56	53.56	53.56	53.56	53.56
Russian Wheat FOB (USD/MT)	-	-	-	-	-	-	-
Parity on FOB Basis (USD/MT)	-	-	-	-	-	-	-

Spot Prices of Wheat at NCDEX Delivery Centers

NCDEX SPOT	9 Feb, 2013	week ago 2 Feb 13	Month ago 9 Jan 13	Year ago 09 Feb 2012	change over previous Year %
Bareilly	1650	1650	1540	1200	**37.50**
Delhi	1590	1593	1573	1238	**28.43**
Indore	1588	1600	1563	1220	**30.16**
Khanna	1684	1679	1665	1336	**26.05**
Kota	1650	1671	1654	1235	**33.60**
Kanpur	1530	1515	1500	1150	**33.04**
Karnal	1500	1500	1500	1392	**7.76**
Rajkot	1640	1653	1640	1190	**37.82**

India FOB, Kandla (USD/T)



Wheat Export Monthly Data:

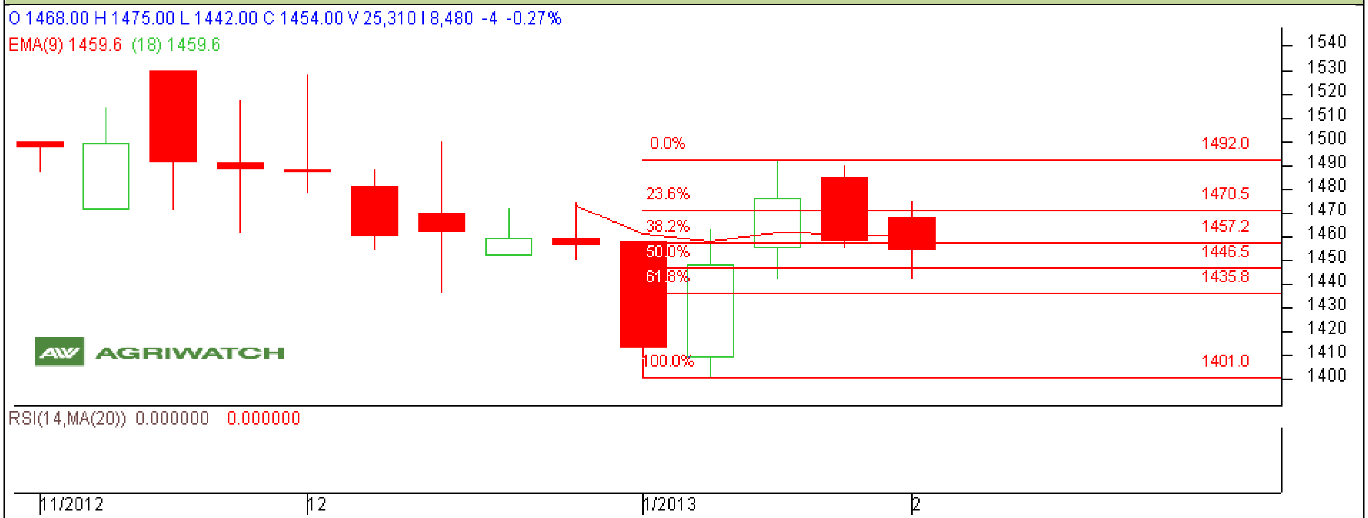
	Wheat (Lakh T)	Average FOB Quotes Kandla (USD/MT)	CBOT Average Quotes (USD/MT)
Oct-11	1.30	215.90	242.79
Nov-11	1.80	225.41	234.05
Dec-11	1.35	230.79	228.41
Jan-12	1.05	237.07	237.73
Feb-12	0.95	239.53	240.81
Mar-12	1.23	244.02	241.00
Apr-12	1.18	236.89	235.13
May-12	2.57	252.15	236.73
Jun-12	3.45	256.64	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
Jan-13	3.59	325.04	282.26
Total	**43.75**		

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			09.02.2013	**02.02.2013**	
Delhi	**Lawrence Road**	**Mill Quality**	1585	1590	-5
	Nazafgarh	**Mill Delivery Loose**	1550	1575	-25
	Narella	**Mill Delivery Loose**	1540	1550	-10
Gujarat	**Rajkot**	**Mill Delivery**	1610	1660	-50
	Ahmedabad	**Mill Delivery**	1700	1725	-25
M.P.	**Bhopal**	**Mill Quality Loose (Lokwan Price)**	1650	1650	Unch
	Indore	**Mill Delivery**	1620	1625	-5
Rajasthan	**Kota**	**Mill Quality**	1600	1650	-50
U.P.	**Kanpur**	**Mill Delivery**	1525	1565	-40
Punjab	**Khanna**	**Mill Quality Loose**	1470	1505	-35
Haryana	**Sirsa**	**Mill Delivery loose**	1520	1530	-10

Commodity: Wheat **Exchange: NCDEX**
Contract: March **Expiry: March 20th, 2012**

Wheat (Weekly Chart)



Technical Commentary:

- Market is moving downward and candlestick chart depicts Bearishness.
- Fall in price but rise OI and Volume hints towards Short Buildup.
- Oscillator RSI is in neutral Zone.
- Prices closed below 9 and 18 days EMA.

Strategy: Sell from entry level

Intraday Supports & Resistances			**S2**	**S1**	**PCP**	**R1**	**R2**
Wheat	NCDEX	March	1401	1430	1454	1470	1492
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	March	**Sell**	Below 1460	1440	1430	1465

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

Domestic Weekly Outlook: Spot and Future market is expected to trade steady to weak since government is willing to offload its stock before procurement begins. Supply will limit any uptrend in prices. Wheat area coverage has reached almost at the previous year's level.

International Market Updates:

According to USDA latest report world wheat production has been reduced to 653.61 million tonnes from previous estimate of 654.31 million tonnes owing to lower production estimate in Kazakhstan and Brazil While world wheat ending stock has been marginally increased to 176.73 million tonnes from 176.64 million tonnes.

USDA report has reduced US ending stocks to 18.82 million tonnes from 19.50 million tonnes as increased demand from feed industry and poultry is estimated. USA wheat export and production estimate remains unchanged.

France's custom data shows that France exported 7.73 million tonnes of Soft Wheat from July to December 2012 which is 12% less for the same period as compared to previous year. Algeria remained the top destination for French wheat, as 2.01 million tonnes soft wheat was imported during the July-December 2012 period.

Thailand flour millers have bought 50,000 tonnes of Canadian wheat for USD 380-385/T CNF for May and June Shipment, while Indonesia has bought 180,000 tonnes of Australian prime wheat for USD 355-360/T CNF for April and may delivery.

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.

US Department of Agriculture data shows that its US wheat exports were 14.5 million tonnes from June 2012 to 15 January 2013 which is 12% less as compared to previous year for the same period.

In 2013-14 Pakistan is expected to produce 23.9 million tonnes of Wheat as compared to 2011-12 25 million tonnes and wheat sown area has increased by 2.5% over 2012. The decline is seen majorly due to late sowing of wheat consequently resulting in lower yield.

Russian wheat output fell to 39 million tonnes in 2012 due to severe drought and after exporting 9.95 million tonnes of wheat, domestic prices has been surging. Russian government is thinking to waive 5% import duty on import of wheat. The key importer of wheat to Russia is Kazakhstan, as imports from this country are exempted of customs duties.

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
Production	607	685	679	653	694	654	656
Trade	110	137	128	126	145	134	137
Consumption	603	645	652	659	692	678	678
Carryover stocks	132	173	200	194	196	173	174
Y-O-Y change	5	41	27	-6	-6	-23	-22
Major Exporters	47	69	79	73	73	50	51

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	07.02.13	Week Ago 01.02.13	Month Ago (January)	3 Months Ago (Nov)	Year Ago (Feb)
USA (Chicago)	RTRS 2srw	**16.85**	312.10	311.20	313.20	359.30	267.10
France	FCW3	**17.89**	328.90	338.70	324.30	354.30	279.00
United Kingdom	Feed wheat	**21.29**	327.80	337.10	330.90	355.60	258.00
Australia	CWRS	-	298.53	302.27	308.90	347.14	259.00
Russia	SRW	-	NA	NA	NA	343.00	290.00
Canada(Spot)	Q2FW	**15.93**	295.00	291.20	300.20	299.30	248.00
Ukraine	SRW	-	NA	NA	NA	341.00	288.50
Argentina	SRW	**29.73**	370.00	360.00	370.00	345.00	260.00

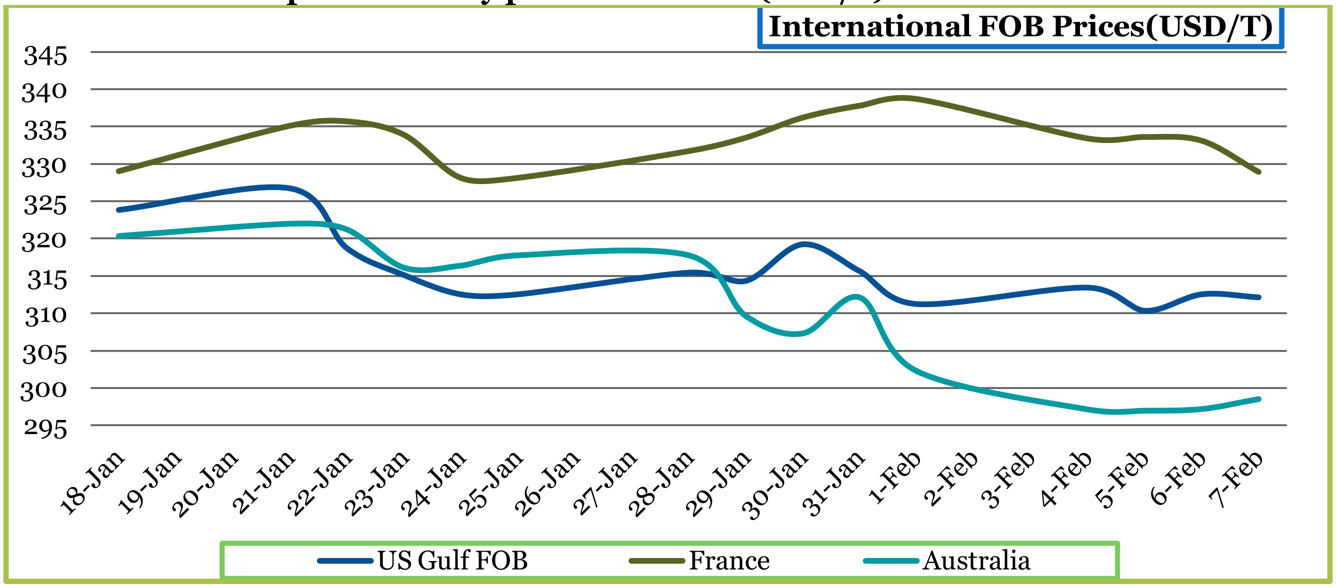
Global wheat market is expected to trade between USD 305-340/T as US winter wheat crop is affected by dry weather conditions, however according to analyst rains are expected in days ahead which may improve crop condition. FOB's are expected to be weak in week ahead.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 08.02.13(USD/T)							
CONTRACT MONTH	8 Feb 2013	Week ago (1 Feb 2013)	1 Month ago(8 Jan 13)	3 Month ago(8 Nov 12)	6 Month ago(8 Aug 12)	1 Year ago(8 Feb 12)	% Change over previous year
Mar-13	277.85	281.06	275.73	336.72	337.09	267.19	**3.99**
May-13	280.14	284.09	279.32	338.93	329.01	271.23	**3.28**
July-13	280.23	285.93	281.89	329.01	309.63	271.60	**3.18**
Sept-13	283.27	289.97	286.20	332.13	309.81	273.53	**3.56**
Dec-13	288.23	295.39	291.26	334.33	313.48	278.03	**3.67**
Mar-14	292.27	299.89	295.39	335.07	315.05	280.23	**4.29**

CBOT March 13 Future Contract Chart:

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



International Weather update: (Source-USDA)

Argentina- Rain returned to portions of central Argentina, though pockets of unfavorable dryness lingered over some high-yielding farming areas. The heaviest rain (25-100 mm) fell from San Luis to northern Santa Fe but most other areas recorded at least 10 mm; the exception continued to include crop areas in the vicinity of northwestern Buenos Aires, which have been trending dry since mid-December.

Russia and Ukraine –Mild, unsettled weather prevailed, maintaining mostly favorable overwintering conditions for dormant winter wheat.

Australia- Tropical cyclone Oswald continued to trek southward along the east coast of Australia, producing heavy rains (25-200 mm, locally near 400 mm) in southeastern Queensland and eastern New South Wales.

North West Africa- A cold front generated moderate to locally heavy showers (10-50 mm) from north-central Algeria into northern Tunisia, maintaining favorable soil moisture for vegetative winter wheat. Meanwhile, sunny skies promoted winter grain development in Morocco after recent beneficial rain.

USA – Despite sporadic January precipitation on the Plains, drought remained entrenched across the nation's mid-section. By month's end, at least half of the winter wheat was rated very poor to poor in Oklahoma (69%), South Dakota (66%), and Nebraska (50%). In Kansas, 39% of the winter wheat and 85% of the rangeland and pastures were rated very poor to poor. In addition, 19% of the Kansas wheat crop was reported by USDA to have been harmed by wind, with a damage breakdown of 13% light, 5% moderate, and 1% severe.

International Weekly Outlook: International market is expected to trade Steady since gains from lower USDA world wheat production estimate are likely to be offset by Lower export sales by US and Indian presence in International market.