

**Domestic Market Updates:**

**Government has set target of procuring around 44 million tonnes** wheat this year. Punjab is likely to be the largest contributor towards wheat central pool stock, Madhya Pradesh may takeover Haryana as second largest contributor with around 11.5 million tonnes wheat as sown area has increased by 3 lakh hectares in M.P.

**Thailand feed millers have bought 40,000 MT Indian wheat** during the week as prices are declining. Purchases were made around USD 315/T CNF. In January 2013, 400,674 MT of wheat was exported from government stock through PSU's and it is expected that in February 2013, this could reach 500,000 MT.

**Wheat cash markets traded almost unchanged** at previous level with matching supply-demand side on Saturday. No major trading activity was seen at the weekend. Wheat crop is in good condition and production prospects have improved further with recent rains. Most of the crops are entering now in filling stage.

**In a latest development government may allow private** traders to export wheat from central pool stock. Discussions with various ministries are going on. However, quantity has not been specified. As per market expert it may be almost 5 million T. Food Ministry has circulated a Cabinet note for inter-ministerial discussions on allowing export.

**Wheat sowing has completed now. As per the latest figures** area sown under wheat is 298.38 lakh hectares against 298.61 lakh hectares last year at the same time, almost twenty three thousand hectares lower than last year. Major area increase has been witnessed in M.P. and Uttar Pradesh.

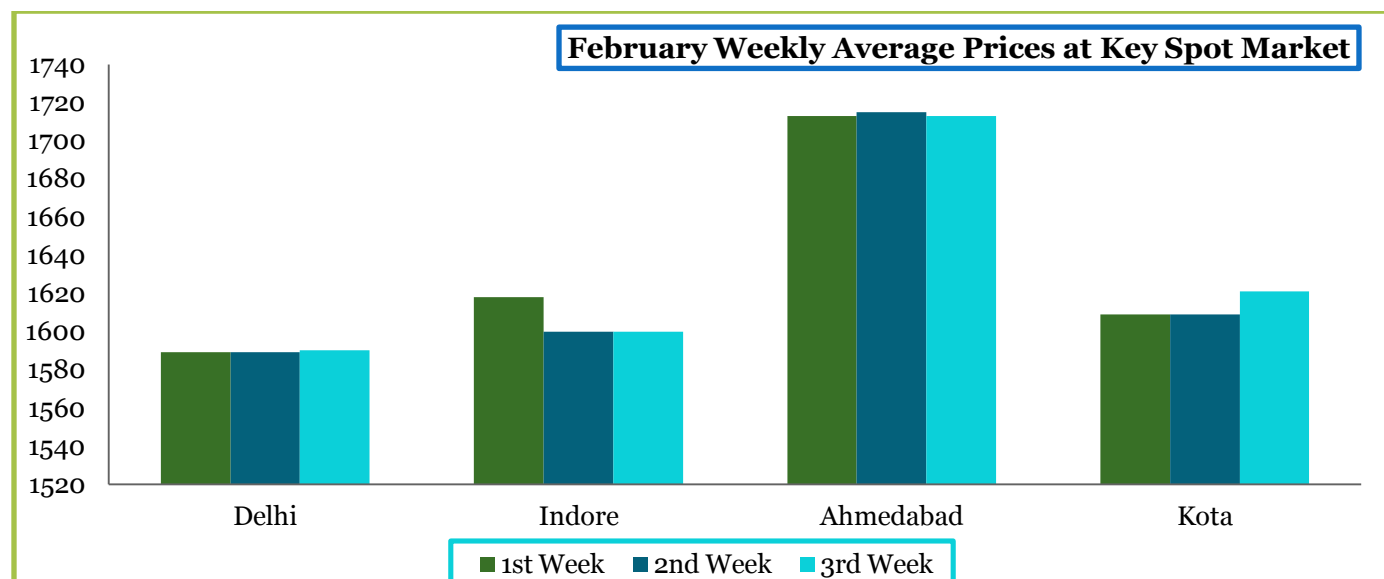
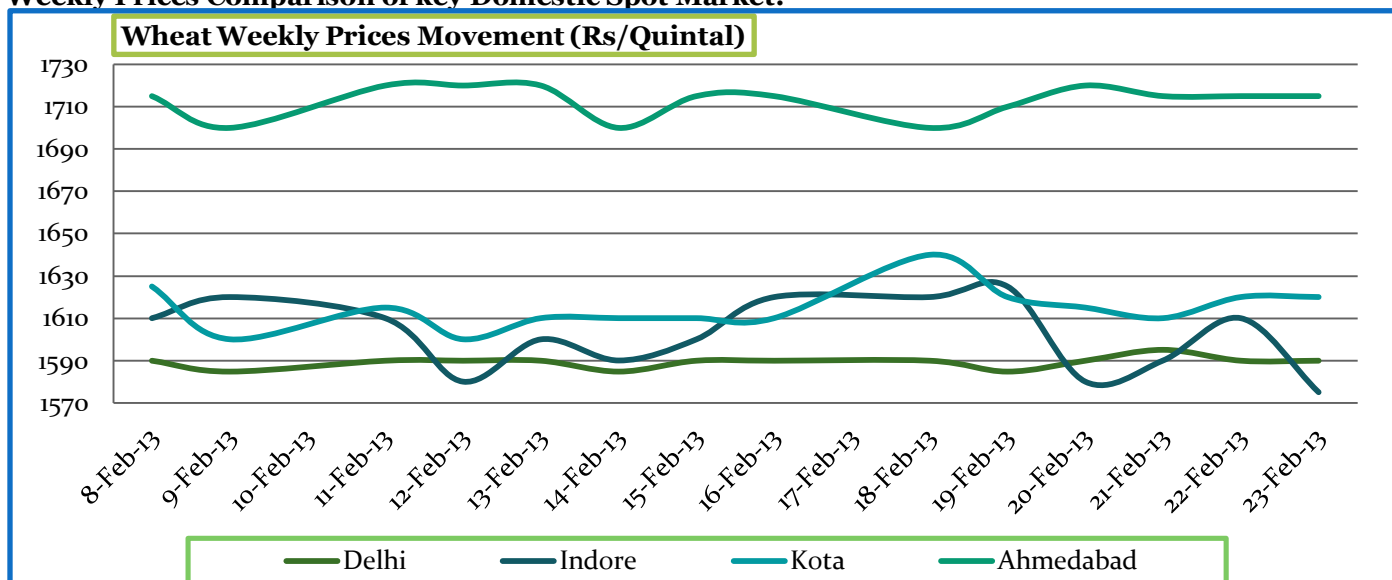
**Some wheat will be shipped to flour millers in the** Middle East where Indian wheat is currently offered around \$340/ton, basis cost and freight. Some volumes are expected to be shipped to Ethiopia where buyers purchased at least 150,000 tons Indian wheat around \$362/ton, C&F.

**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.

**Wheat inflation has declined from December 2012(23.23%) to 21.39% in** January 13. Although WPI has reduced marginally to 205.4 in January 2013 from 205.3 in December 2012 as government had increased the supply in January.

**Weather Watch:**

- The cumulative seasonal rainfall during 1st January to 13th February 2013 for the country as a whole was 22.7 mm which is -17 per cent below normal rainfall of 27.5 mm.
- The subdivision-wise seasonal rainfall was excess in 9, normal in 6, deficit in 6 and scanty in 14, and no rain in 1 out of 36 meteorological sub-divisions.
- In the country, 22 per cent districts received excess and 11 per cent districts received normal rainfall during post monsoon season so far. However, 12 per cent districts received deficient and 29 per cent districts received scanty rainfall and 26 per cent districts received no rainfall.

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


Prices were almost steady in the market as government is increasing supplies to make way for new crop. Arrivals have started reaching at Rajkot and Junahgarh mandi at Rs 1700-1750/Q with 15-17% moisture of Lokwan Quality. Prices may come under pressure in week ahead.

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
<b>TOTAL</b>	<b>658.76</b>	<b>3.17</b>	<b>661.93</b>
COARSE GRAINS	0.90	0.00	0.90
SUGAR	0.25	0.11	0.36
<b>GRAND TOTAL</b>	<b>659.91</b>	<b>3.28</b>	<b>663.19</b>

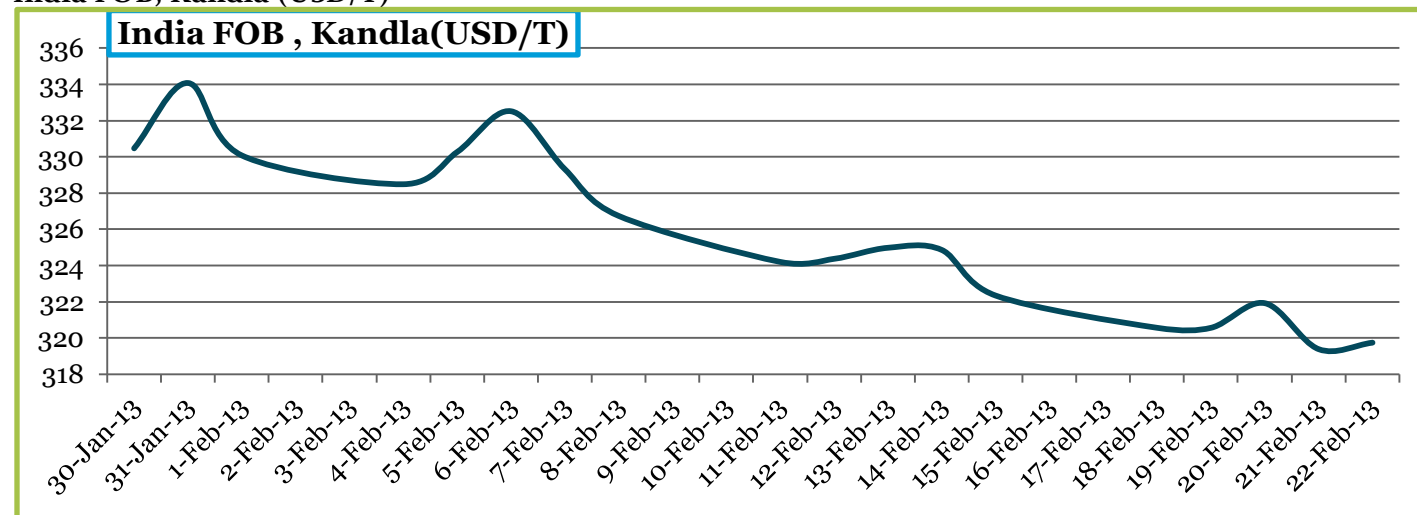
(Figures in Lakh Tonnes)

FOB Value as on 23.02.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Khagaria	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16250	16000	15600	15700	15800	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)	17250	17650	18000	17650	17850	14550	18220
<b>Indian FOB (USD/MT)</b>	<b>316.98</b>	<b>324.33</b>	<b>330.76</b>	<b>324.33</b>	<b>328.00</b>	<b>267.36</b>	<b>334.80</b>
Insurance @ 0.1%	0.32	0.32	0.33	0.32	0.33	0.27	0.33
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
<b>CIF (Kandla to Chittagong)</b>	<b>335</b>	<b>342</b>	<b>349</b>	<b>342</b>	<b>346</b>	<b>285</b>	<b>353</b>
INR	54.42	54.42	54.42	54.42	54.42	54.42	54.42
Russian Wheat FOB (USD/MT)	-	-	-	-	-	-	-
Parity on FOB Basis (USD/MT)	-	-	-	-	-	-	-

Spot Prices of Wheat at NCDEX Delivery Centers					
	23 Feb, 2013	week ago 16 Feb 13	Month ago 23 Jan 13	Year ago 23 Feb 2012	change over previous Year %
<b>Bareilly</b>	1576	1583	1575	1228	<b>28.34</b>
<b>Delhi</b>	1680	1650	1540	1205	<b>39.42</b>
<b>Indore</b>	1597	1593	1580	1247	<b>28.07</b>
<b>Khanna</b>	1686	1679	1653	1381	<b>22.09</b>
<b>Kota</b>	1625	1580	1540	-	-
<b>Kanpur</b>	1520	1520	1525	1408	<b>7.95</b>
<b>Karnal</b>	1623	1630	1638	1182	<b>37.31</b>
<b>Rajkot</b>	1633	1653	1650	1238	<b>31.91</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	3.75	314.48	326.52
Oct-12	4.02	312.11	317.84
Nov-12	4.45	320.19	317.04
Dec-12	6.42	326.70	299.60
Jan-13	5.12	325.04	282.26
<b>Total</b>	<b>45.94</b>		

**Domestic Key Spot Market Price Comparison:**

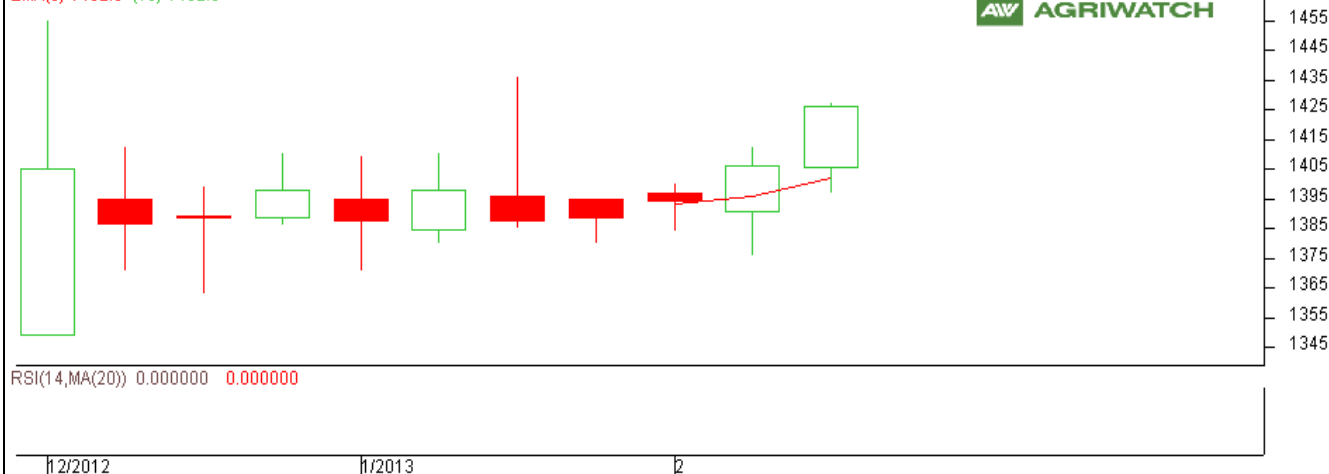
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			23.02.2013	16.02.2013	
Delhi	Lawrence Road	Mill Quality	1590	1590	Unch
	Nazafgarh	Mill Delivery Loose	1560	1565	-5
	Narella	Mill Delivery Loose	1550	1570	-20
Gujarat	Rajkot	Mill Delivery	1650	1625	25
	Ahmedabad	Mill Delivery	1715	1715	Unch
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1700	1650	50
	Indore	Mill Delivery	1575	1620	-45
Rajasthan	Kota	Mill Quality	1620	1610	10
U.P.	Kanpur	Mill Delivery	1550	1515	35
Punjab	Khanna	Mill Quality Loose	1460	1470	-10
Haryana	Sirsa	Mill Delivery loose	1525	1505	-15

**Commodity: Wheat**  
**Contract: April**

**Exchange: NCDEX**  
**Expiry: April 19<sup>th</sup>, 2012**

### Wheat (Weekly Chart)

O 1405.00 H 1427.00 L 1397.00 C 1426.00 V 12,420 | 12,850 +20 +1.42%  
 EMA(9) 1402.0 (18) 1402.0



### Technical Commentary:

- Market is moving upward and candlestick chart depicts Bullishness.
- Rise in price, Volume and OI hints towards long Buildup.
- Oscillator RSI is in neutral Zone.
- Prices closed above 9 and 18 days EMA.

### Strategy: Sell from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	April	1396	1405	1406	1460	1475
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	April	<b>Sell</b>	Below 1438	1420	1412	1450

\*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 IGC, World wheat production is forecasted** to increase by around 4 percent in the 2013-14 crop year, with most of the increase is expected to be absorbed by rising demand leaving little or no room of stock building. World production of wheat may be 656 million tons, little changed from the previous forecast. Ending stocks are predicted to be 176 million tons, 2 million tons more than the January outlook.

**During the week under review, CBOT has fallen as snow fell in key wheat growing region** of US like Kansas State which has increased the possibility of better crop and Wheat March 13 Contract Closed at \$262.69/T, which is lowest since July last year. International future and Spot market may continue under pressure ahead as buyers too are deferring purchases to re-enter at lower levels.

**According to Canada's Agriculture and food department report, for 2012-13** Durum Wheat exports are expected to increase by 16% from previous year to 4.15 million tonnes. Durum Carryover stocks are forecasted to decrease by 14% to 1.3 million tonnes. Canada is expected to export 14.6 million tonnes of all wheat excluding Durum Wheat in 2012-13, which is 5% more than previous year.

**Canadian wheat seeded area is forecasted to increase by 7%** in 2013-14 from 2012-13 as carryover stocks are lower, international prices are high and farmers are expected to shift from Canola and lentils.

**According to Egypt ministry official, GASC is expected to procure** 4 million tonnes wheat from local farmers by May 2013 end and it is expected that imports will be cut. GASC has enough wheat in stocks till June 2013 and domestic crop will ensure supply till November 2013.

**Egypt state buying agency GASC has bought 60,000 MT** of Soft Red Winter Wheat of U.S origins from Venus at USD 296.75/T FOB to be shipped between April 10 - 20. Jordan state grain buying agency has bought 50,000 MT of wheat from Cargill at USD 377.5/T CNF for March shipment.

**Tunisian state buying agency has purchased 67,000 MT of** Durum Wheat to be delivered between 25 March and 25 April. Casillo Commodities has bid for 25,000 tonnes at USD 397.67/T CNF, Eurograni has bid for 25,000 tonnes at USD 397.29/T CNF and for another 17,000 tonnes at USD 396.69/T.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2007-08	2008-09	2009-10	2010-11	2011-12 estimated	Million T	Projection for 2012-13
						17.01.2013	21.02.2013
<b>Production</b>	607	685	679	653	696	656	656
<b>Trade</b>	110	137	128	126	145	137	137
<b>Consumption</b>	603	645	652	659	693	678	678
<b>Carryover stocks</b>	132	173	200	194	197	174	174
<b>Y-O-Y change</b>	5	41	27	-6	3	-22	-21
<b>Major Exporters</b>	47	69	79	73	70	51	50

**Indicative FOB Quotes:**

	Variety	% Change over Prev. Year	20.02.13	Week Ago 13.02.13	Month Ago (January)	3 Months Ago (Nov)	Year Ago (Feb)
<b>USA (Chicago)</b>	RTRS 2srw	<b>12.20</b>	303.50	304.60	326.70	342.40	270.50
<b>France</b>	FCW3	<b>14.45</b>	323.90	319.80	335.10	346.70	283.00
<b>United Kingdom</b>	Feed wheat	-	NA	NA	342.50	344.00	262.00
<b>Australia</b>	CWRS	<b>12.71</b>	287.79	287.31	321.96	338.29	255.33
<b>Russia</b>	SRW	-	NA	NA	NA	343.00	285.00
<b>Canada(Spot)</b>	Q2FW	<b>17.48</b>	290.30	295.00	299.20	299.30	247.10
<b>Ukraine</b>	SRW	-	NA	NA	NA	341.00	282.50
<b>Argentina</b>	SRW	-	NA	370.00	370.00	345.00	268.50

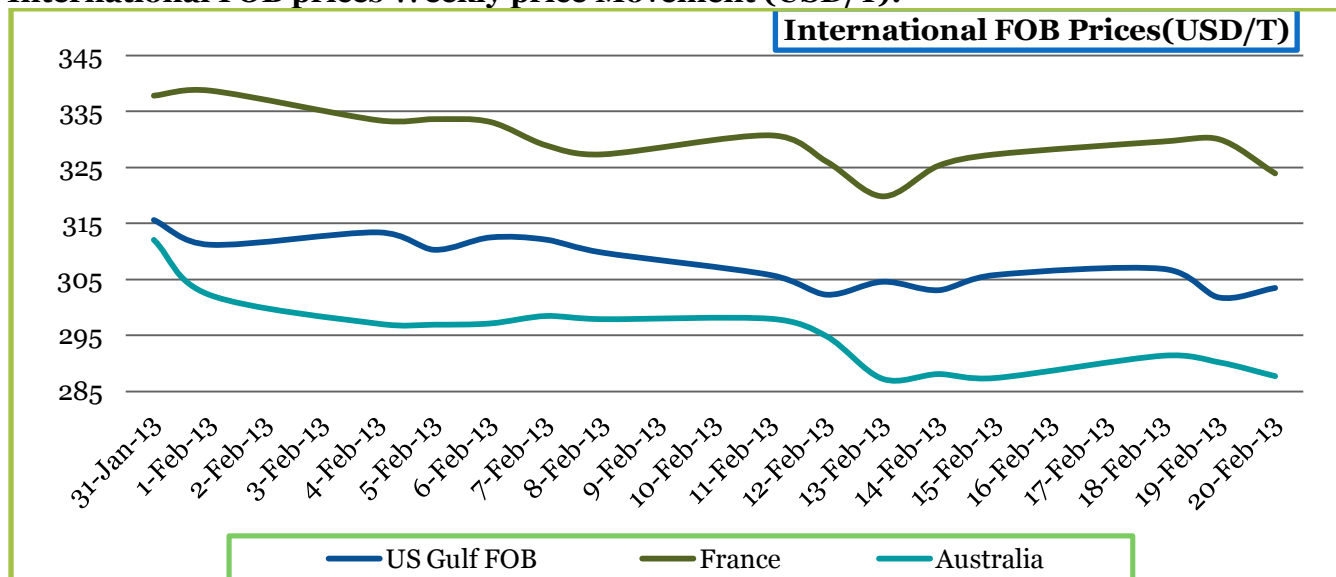
Global wheat market is expected to trade between USD 300-335/T as recent snow in winter wheat growing areas of the USA has increased the possibility of better crop and slack buying is expected from Middle East and North African nations as they anticipate better domestic crop than last year.

**CBOT FUTURES CONTRACT:**

CONTRACT MONTH	22 Feb 2013	Week ago (15 Feb 2013)	1 Month ago(22 Jan 13)	3 Month ago( 23 Nov 12)	6 Month ago(22 Aug 12)	1 Year ago(22 Feb 12)	% Change over previous year
Mar-13	262.69	272.70	286.30	316.52	339.94	260.76	<b>0.74</b>
May-13	264.07	275.00	289.69	318.90	336.35	263.98	<b>0.03</b>
July-13	265.81	275.92	291.44	313.85	316.61	265.81	<b>Unch</b>
Sept-13	268.84	279.22	295.21	316.15	316.06	268.02	<b>0.31</b>
Dec-13	274.26	283.72	300.44	319.18	318.35	272.98	<b>0.47</b>
Mar-14	278.58	287.67	304.85	320.65	320.46	274.36	<b>1.54</b>

**CBOT March 13 Future Contract Chart:**



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

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

**Canada-** Heavy rain melted most snow by the mid of the February, leaving overwintering wheat and pastures vulnerable to damage from bitter cold. Recent unseasonable warmth and showers returned, further increasing moisture reserves but leaving crops unprotected again.

**Argentina-** Rainfall totaled 10 to 25 mm across Cordoba, Santa Fe, and Entre Rios, and in northern production areas of La Pampa and Buenos Aires; little to no rain fell in southwestern Buenos Aires.

**Russia and Ukraine –** Weekly average temperatures at or above 5°C in these southern crop regions for a second consecutive week, some greening of winter wheat was likely; this early emergence from dormancy has put the crop at risk of potential freeze damage should any late incursions of bitter cold occur.

**Australia-** The remnants of Tropical Cyclone Oswald soaked the east coast, causing local freshwater flooding.

**North West Africa-** Nearly week cold front generated widespread rain (10-65 mm) across the region's primary winter grain areas, boosting soil moisture for vegetative winter wheat.

**International Weekly Outlook:** International market is expected to trade steady to weak as improved crop and weather condition in major wheat growing countries like US and Ukraine. Slack demand from major importers in Middle East and North Africa can pressurize the market.

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