

**Domestic Market Updates:**

**During the week under review new crop arrivals has** reached Indore Mandi and traded around Rs 1400-1450/Q, with 14-15% Moisture. In Bhopal 500 bags of new wheat crop arrivals were reported at Rs 1700-1900/Q. As per feedback from private traders in Bhopal region, they will be sourcing wheat from U.P and Rajasthan as crop was affected by extreme weather conditions earlier.

**Government has stopped selling wheat through tender sale in** Madhya Pradesh from March although it will continue in other states. Arrivals in Punjab, Haryana and U.P are expected to hit market in April. Bulk Wheat buyers have reduced their purchasing by 25-30% from government stock under OMSS in the second half of this month. Off take may fall further as new crop is round the corner.

**STC has received the received the highest bid of USD 300.10/T** for export of 35,000 MT Indian milling wheat and MMTC has received the highest bid of USD 302.02/T for export of Indian milling Wheat for 35,000 MT, tender bids have fallen from USD 310-312/T as international market has declined owing to better crop prospects and poor international buying.

**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.

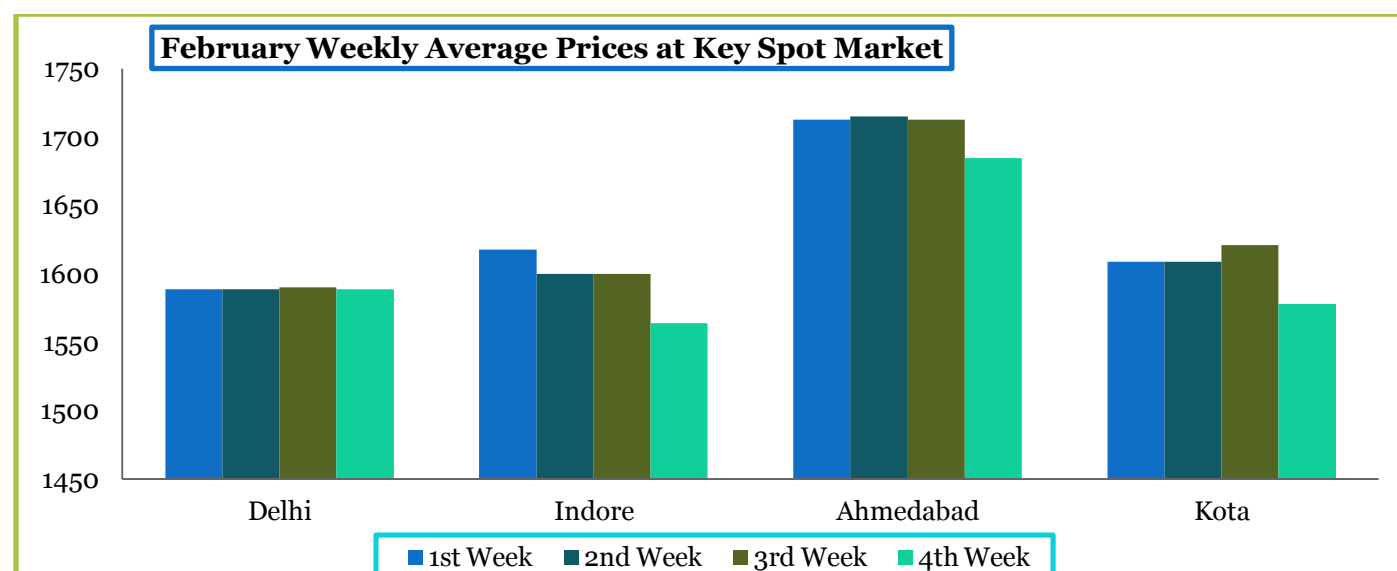
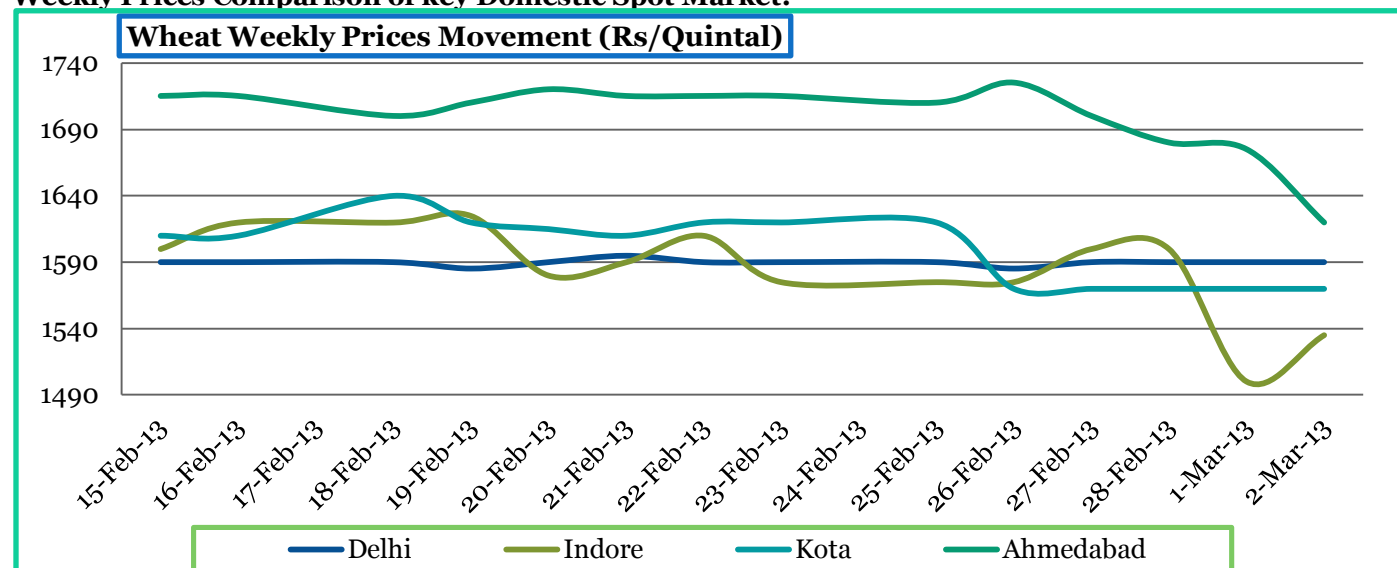
**Wheat sowing has completed now. As per the latest figures** area sown under wheat is 298.38 lakh hectares against 298.61 lakh hectares last year at the same time, almost twenty three thousand hectares lower than last year. Major area increase has been witnessed in M.P. and Uttar Pradesh.

**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 All India area weighted rainfall during the week (17.9 mm) was 174 per cent above normal (6.5 mm).
- The cumulative seasonal rainfall during 1st January to 20th February 2013 for the country as a whole was 40.6 mm which is 19 per cent above normal rainfall of 34.0 mm.
- In the country, 48 per cent districts received excess and 12 per cent districts received normal rainfall during post monsoon season so far. However, 15 per cent districts received deficient and 18 per cent districts received scanty rainfall and 7 per cent districts received no rainfall.

## Weekly Prices Comparison of key Domestic Spot Market:



Wheat Prices traded steady to Weak in the market as new crop arrivals has reached Indore Mandi and traded around Rs 1400-1450/Q, with 14-15% Moisture. New crop arrivals of 500 bags have started reaching Bhopal Mandi at Rs 1700-1900/Q. Traders are deferring purchases to procure new crop later, which has pressurized 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
<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>

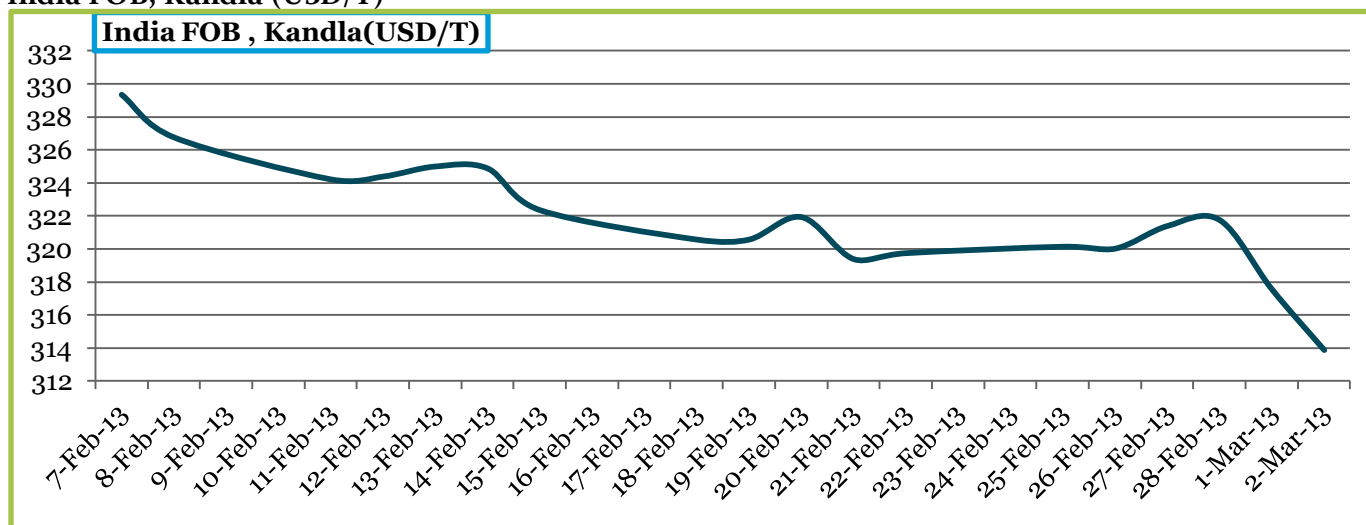
(Figures in Lakh Tonnes)

FOB Value as on 02.03.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15800	15500	16000	15600	15800	13500	19100
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)	16800	17150	18400	17550	17850	15200	19100
<b>Indian FOB (USD/MT)</b>	<b>308.37</b>	<b>315.14</b>	<b>338.11</b>	<b>322.49</b>	<b>328.00</b>	<b>279.31</b>	<b>350.97</b>
Insurance @ 0.1%	0.31	0.32	0.34	0.32	0.33	0.28	0.35
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
<b>CIF (Kandla to Chittagong)</b>	<b>326</b>	<b>333</b>	<b>356</b>	<b>340</b>	<b>346</b>	<b>297</b>	<b>369</b>
INR	54.48	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(Rs/Q)					
	2 Mar, 2013	Week ago 23 Feb 13	Month ago 2 Feb 13	Year ago 2 Mar 2012	Change over previous Year %
<b>Bareilly</b>	1490	1576	1600	1235	<b>20.65</b>
<b>Delhi</b>	1680	1680	1650	1210	<b>38.84</b>
<b>Indore</b>	1594	1597	1593	1244	<b>28.14</b>
<b>Khanna</b>	1690	1686	1679	1381	<b>22.38</b>
<b>Kota</b>	1600	1625	1515	1140	<b>40.35</b>
<b>Kanpur</b>	-	1520	1500	1386	-
<b>Karnal</b>	1589	1623	1653	1211	<b>31.21</b>
<b>Rajkot</b>	1581	1633	1671	1233	<b>28.22</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
Feb-13	5.82	324.11	270.06
<b>Total</b>	<b>51.76</b>		

## Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02.03.2013	23.02.2013	
Delhi					
	Lawrence Road	Mill Quality	1590	1590	Unch
	Nazafgarh	Mill Delivery Loose	1560	1560	Unch
	Narella	Mill Delivery Loose	1555	1550	5
Gujarat	Rajkot	Mill Delivery	1600	1650	-50
	Ahmedabad	Mill Delivery	1620	1715	-95
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1600	1700	-100
	Indore	Mill Delivery	1535	1575	-40
Rajasthan	Kota	Mill Quality	1570	1620	-50
U.P.	Kanpur	Mill Delivery	1535	1550	-15
Punjab	Khanna	Mill Quality Loose	1470	1460	10
Haryana	Sirsa	Mill Delivery loose	1525	1525	Unch

Commodity: Wheat  
Contract: April

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

### Wheat (Weekly Chart)



### Technical Commentary:

- Market is moving sideward and candlestick chart depicts Consolidation.
- Fall in price, Volume and OI hints towards Consolidation.
- Prices closed above 9 and 18 days EMA.

### Strategy: Sell from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	April	1370	1381	1405	1430	1455
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	April	<b>Sell</b>	Below 1412	1395	1385	1425

\*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. New crop arrivals have started hitting market in Gujarat and Madhya Pradesh, which will pressurize market.

### International Market Updates:

**CBOT Wheat has recovered from previous week lowest levels** as wheat demand is increasing. Wheat became a cheaper alternative to corn for cattle feed. Moreover, buoyant wheat export too has pushed wheat futures towards north.

**According to Russia's Deputy Agriculture Minister Ilya Shestakov**, if grains harvest remains below government target of 95 million tonnes than government may buy grain in the country's main exportable South region to prevent excessive exports to control domestic prices.

**According to Agriculture Minister Nikolai Fyodorov**, Russia may extend duty free grain imports till August 2013, giving importers an additional month to bring in grain. This move can make import attractive from US and EU.

**The biggest wheat shipper in 2012-13 is expected to be USA** (28.6 Million Tonnes), EU and Canada may end up with 18.5 MMT each, followed by Australia 16.5 million T and then Russia at 10 million T. India's exports are expected to be around 5 million tonnes.

**Russian is expected to export 10 million Tonnes** of wheat in 2013-14, season ending on 30th June this year. Wheat stocks in Russia as on 1<sup>st</sup> July this year is expected to touch record low of 9.5 million Tonnes. However, USDA projects 10.5 million T export in ongoing season.

**In International trade of wheat, U.S. soft white wheat was quoted around USD 360/T, CNF**, to Southeast Asia while hard red winter wheat was being offered at USD 365/. U.S northern spring wheat was offered around USD 395/T.

**Australian prime wheat was quoted at USD 365/T CNF**, standard wheat at USD 355-360/T and hard wheat with 12 percent protein at USD 380/T CNF. The Korea Feed Association in Busan has bought 60,000 tonnes of feed wheat, which has been sourced from any country worldwide, in a tender for 55,000 tonnes. The seller was Glencore at USD 312.84/T CNF.

**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.

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	28.02.13	Week Ago 21.02.13	Month Ago (January)	3 Months Ago (Nov)	Year Ago (Feb)
USA (Gulf)	SRW 2	8.47	293.40	301.60	315.40	356.30	270.50
France	FCW3	13.32	320.70	321.10	331.70	360.40	283.00
United Kingdom	Feed wheat	18.74	311.10	312.70	334.80	359.50	262.00
Australia	CWRS	15.78	294.08	294.41	317.74	340.40	254.00
Russia	SRW	-	NA	NA	NA	335.00	285.00
Canada(Spot)	Q2FW	15.58	295.30	291.80	301.10	302.30	249.30
Ukraine	SRW	-	NA	NA	NA	332.50	282.50
Argentina	SRW	-	NA	NA	360.00	345.00	261.00

Global wheat market is expected to trade between USD 290-325/T as slack buying is expected from Middle East and North African nations as they anticipate better domestic crop than last year, however higher corn prices may support wheat prices at lower levels.

## CBOT FUTURES CONTRACT:

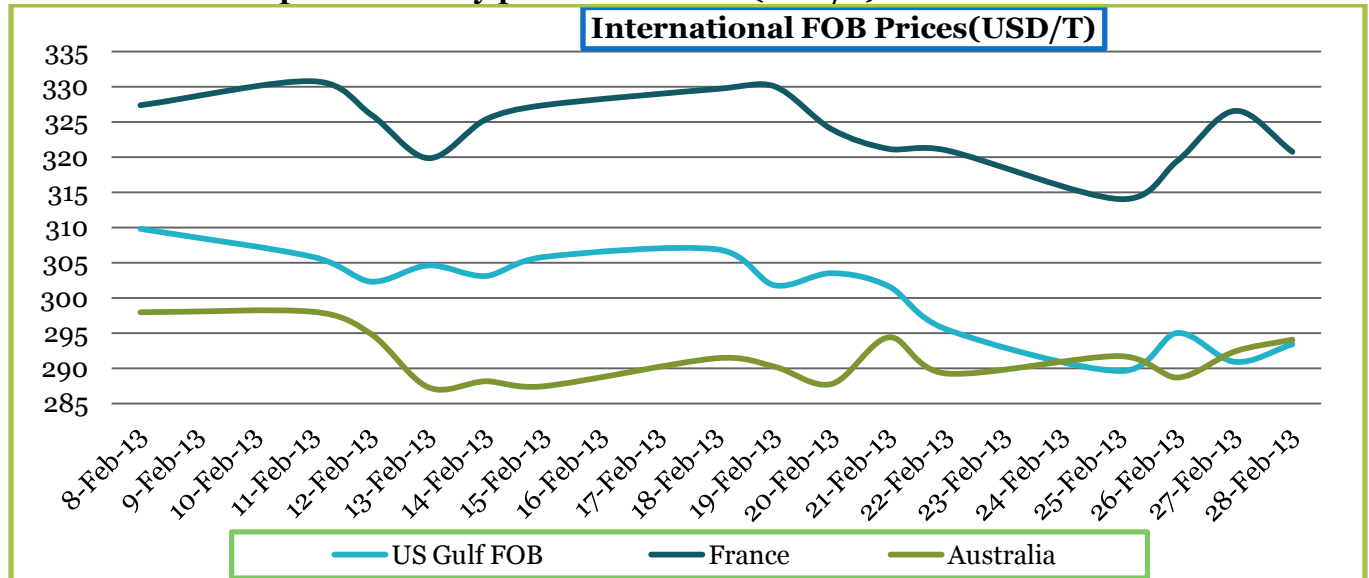
CONTRACT MONTH	01 Mar 2013	Week ago (22 Feb 2013)	1 Month ago(1 Feb 13)	3 Month ago( 3 Dec 12)	6 Month ago(4 Sept 12)	1 Year ago(1 Mar 12)	% Change over previous year
Mar-13	262.05	262.69	281.06	316.24	330.48	264.44	-0.90
May-13	264.71	264.07	284.09	319.36	329.74	267.28	-0.96
July-13	265.35	265.81	285.93	319.18	316.61	267.10	-0.65
Sept-13	268.11	269.12	289.97	322.03	316.52	269.76	-0.61
Dec-13	272.79	274.26	295.39	324.87	319.18	275.09	-0.83
Mar-14	277.39	278.58	299.89	326.34	321.57	275.64	0.63

## CBOT May 13 Future Contract Chart:





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



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

**Argentina-** Rainfall intensified throughout key farming areas of central and northern Argentina, increasing moisture for summer grains. Amounts ranged from 25 to 100 mm over a broad area stretching from northern Buenos Aires to Chaco and Salta.

**Russia and Ukraine** – Most of the winter wheat areas in central and southern portions of Ukraine and Russia's Southern District remained devoid of snow cover, while snow depths averaged 10 to 40 cm from Belarus and northern Ukraine into Russia's Volga District.

**Australia-** Scattered showers (5-35 mm, locally more) in southern Queensland and northern New South Wales continued. Temperatures in eastern Australia averaged near to slightly below normal, with maximum temperatures generally in the upper 20s to middle 30s degrees C.

**North West Africa-** Showers continued in the east and intensified in western crop districts. A slow-moving cold front produced locally heavy rain (20-75 mm) in Morocco, boosting soil moisture for jointing winter wheat. Showers (10-45 mm) continued in Algeria and Tunisia, maintaining favorable prospects for vegetative winter grains.

**International Weekly Outlook:** International Future and Spot market is expected to trade steady to weak as it is expected that US stocks may rise and buyer may postpone purchases as new crop is arriving in India.

**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.