

Domestic Market Updates:

Cash wheat market traded under pressure ahead of new crop and increasing arrivals in the states like Madhya Pradesh, Rajasthan and Gujarat. Old wheat is being sold near MSP in these states. However, new wheat is being traded around Rs 1450 to Rs 1500 per qtl. Arrivals from Punjab, Haryana, Uttar Pradesh and Bihar are expected to be delayed by 10 days due to extended phase of low temperature in Jan-and Feb. We expect arrivals in the second week of April in these states.

As per market feedback private trade and exporters are unwilling to buy old wheat at Rs 1480 per qtl., recently fixed by the govt. With adding freight total cost of wheat from Rajasthan to Gujarat goes above Rs 1600 per qtl. While new wheat in Gujarat is available around Rs 1500 per qtl. Same condition is being seen in Punjab and Haryana when old wheat is sourced from here.

March starts with hefty wheat stock at 27.10 million tonne and new season is expected to start with over 25 million tonne wheat stock, almost higher by 5 million T from previous year's carryout. The main reason of higher carryout stock despite ongoing export is mainly attributed to higher production (almost 95 million T) last year. New crop is likely to add stock burden further.

With continuation of export procurement target of 44 (set by govt.) is unlikely to meet this year despite bumper production, hiked MSP and bonus. As per market expectation, govt. will not be able to procure more than 38 million T wheat in MY 2013-14 as private trade will continue to buy for export offering cash to farmers at their door step.

Maximum bid received in PEC tender on 6th March 2013 for 40,000 T was \$303.40 /MT. The lowest bid was recorded at \$292/MT. Other bidders who offer \$ 303.40 MT, out of the tenders can buy wheat under tendered quantity.

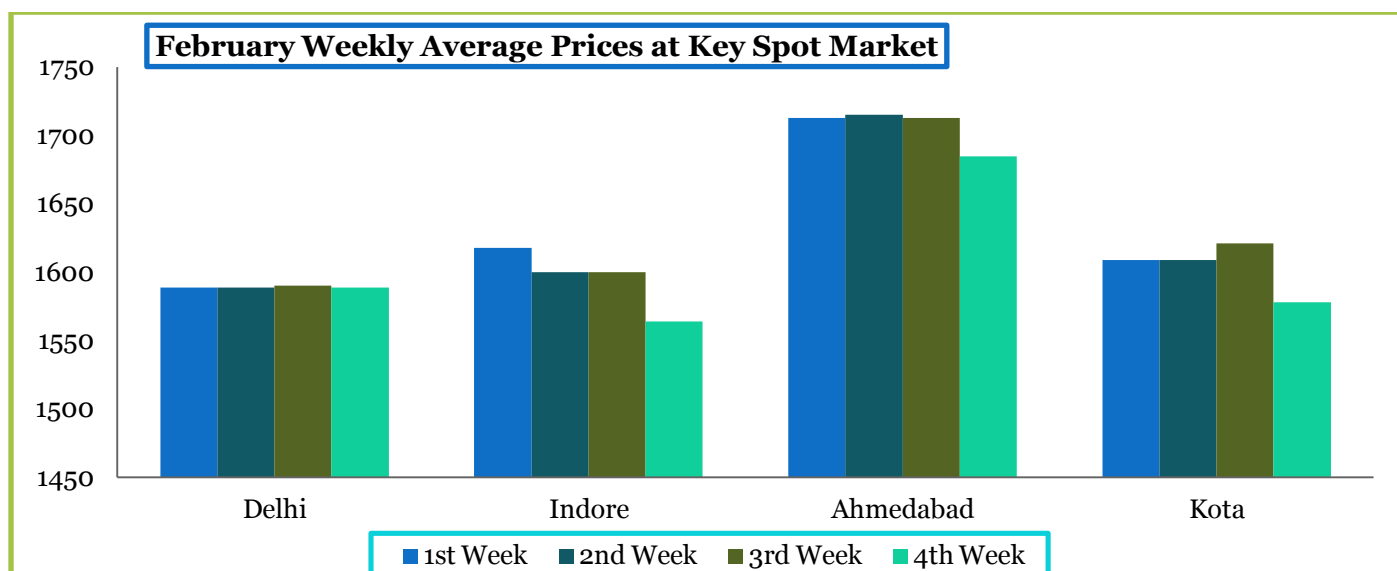
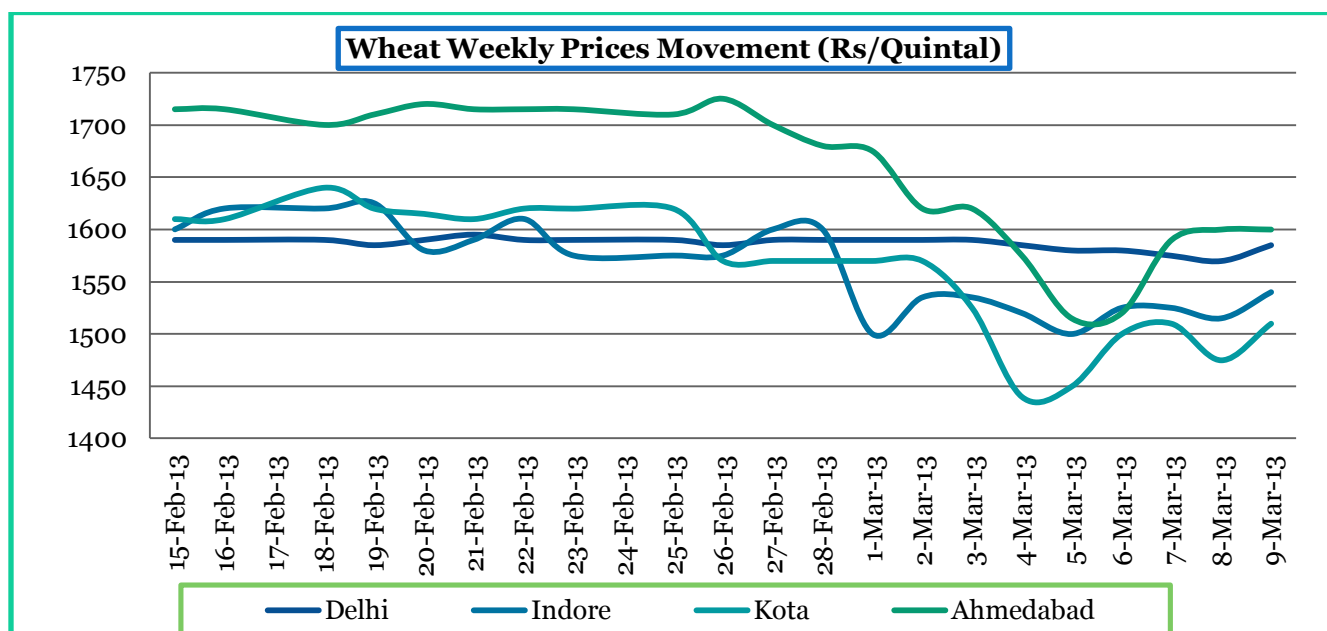
Wheat sowing has completed now. As per the latest figures area sown under wheat is 298.38 lakh hectares against 298.61 lakh hectares last year at the same time, almost twenty three thousand hectares lower than last year. Major area increase has been witnessed in M.P. and Uttar Pradesh.

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 01.03.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	353.54	4.15	357.69
WHEAT	269.01	2.02	271.03
Wheat lying in Mandies	0.00	0.00	0.00
TOTAL	622.55	6.17	628.72
COARSE GRAINS	0.71	0.00	0.71
SUGAR	0.31	0.07	0.38
GRAND TOTAL	623.57	6.24	629.81

(Figures in Lakh Tonnes)

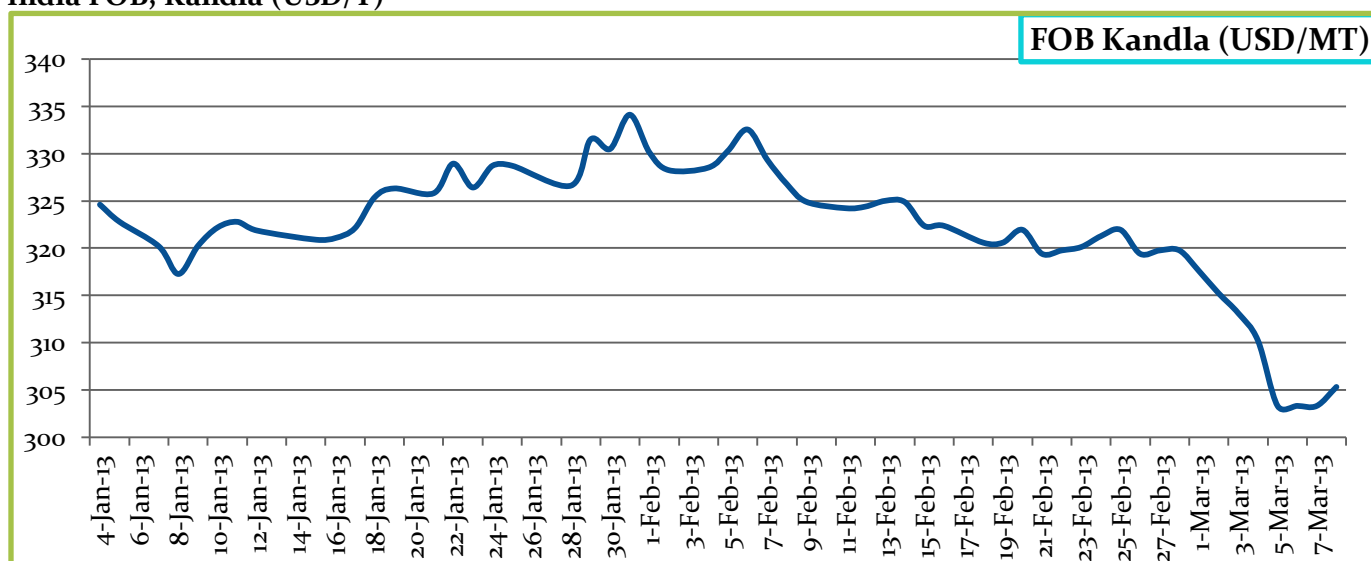
FOB Value as on 08.03.2013 from various destinations at Kandla:

Parity Calculation Sheet	Rajkot (Kandla)	Baran/Bundi	Khagaria	Indore	Bareilly	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15600	15000	15000	15100	15000	13500	18220
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	500	500	500	500	500	500	500
Local transport, port warehousing, labour charges, shortage	500	1000	1200	1350	1200	1200	1200
Indian FOB (Rs/MT)	16600	16500	16700	16950	16700	15200	19920
Indian FOB (USD/MT)	305	303	307	312	307	279	366
Insurance @ 0.1%	0.31	0.30	0.31	0.31	0.31	0.28	0.37
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	323	321	325	330	325	297	384
INR As on 09.03.2013	54.4	54.4	54.4	54.4	54.4	54.4	54.4

Spot Prices of Wheat at NCDEX Delivery Centers(Rs/Q)

	11Mar, 2013	Week ago 04 Mar 13	Month ago 11Feb 13	Year ago 10Mar 2012	Change over previous Year %
Bareilly	1600	1660	1650	1238	22.63
Delhi	1590	1593	1587	1244	21.76
Indore	1520	1500	1610	1238	18.55
Khanna	1679	1690	1696	1375	18.11
Kota	1520	1538	1655	1240	18.42
Kanpur	1510	1600	1530	1120	25.83
Karnal	1520	1513	1490	1383	9.01
Rajkot	1540	1572	1645	1216	21.04

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
Total	51.76		

Domestic Key Spot Market Price Comparison:

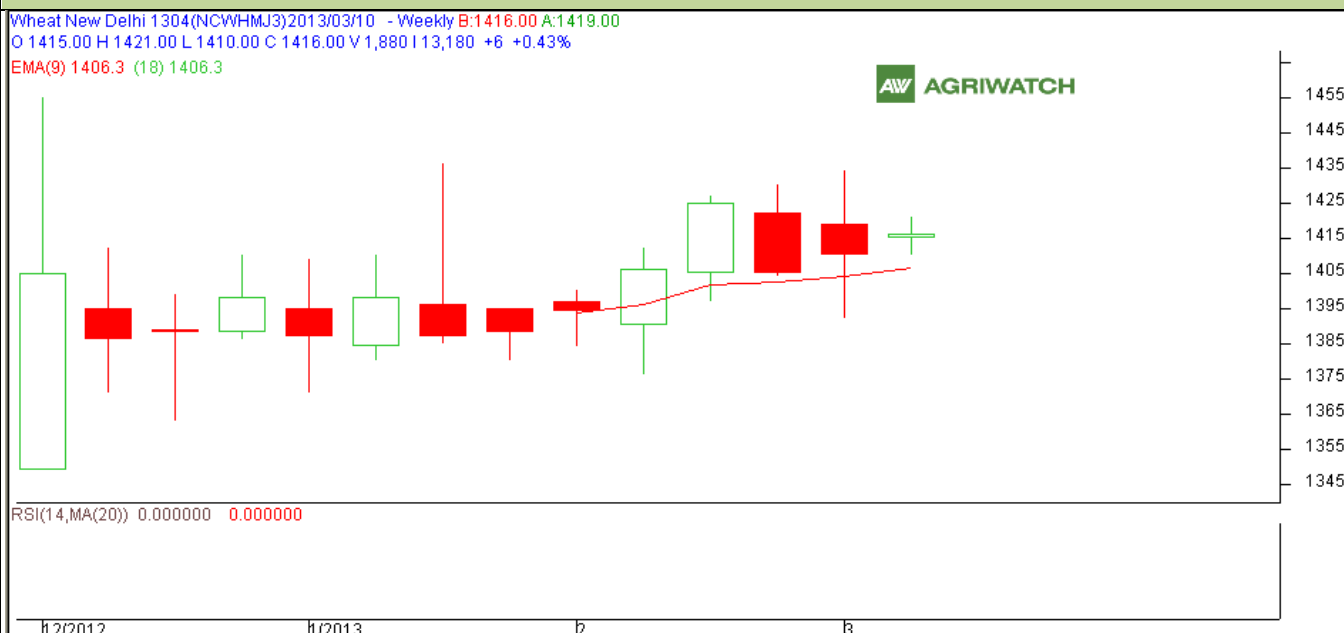
Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			09.03.2013	02.03.2013	Change
	Lawrence Road	Mill Quality	1595	1590	5
	Nazafgarh	Mill Delivery Loose	1550	1560	-10
	Narella	Mill Delivery Loose	1535	1555	-20
Gujarat	Rajkot	Mill Delivery	1575	1600	-25
	Ahmadabad	Mill Delivery	1600	1620	-20
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	NA	1600	NA
	Indore	Mill Delivery	1540	1535	5

Rajasthan	Kota	Mill Quality	NA	1570	NA
U.P.	Kanpur	Mill Delivery	1500	1535	-35
Punjab	Khanna	Mill Quality Loose	1475	1470	5
Haryana	Sirsa	Mill Delivery loose	1490	1525	-35

Commodity: Wheat
Contract: April

Exchange: NCDEX
Expiry: April 19th, 2012

Wheat (Weekly Chart)



Technical Commentary:

- Market is moving sideways trend in previous week .
- 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	1380	1393	1416	1424	1430
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	April	Sell	Below 1422	1410	1400	1427

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

Domestic Weekly Outlook: Spot and future prices are likely to trade steady to weak as new crop starting hitting the market in Rajasthan and Madhya Pradesh. Stake holders should go for selling on rise. Overall outlook remains bearish.

International Market Updates:

CBOT wheat futures recover from previous low on the back of fresh buying interest at lower level. However, overall outlook remains bearish on improved production prospects and higher stock world over. New crop in Black Sea Region, India and China including US is about to hit the market soon.

As per latest WASDE update global wheat supplies for 2012/13 are expected to be higher by 1.8 million tons with higher production. India production is increased 1.0 million tons based on the latest revisions by the government of India for the crop harvested nearly a year ago. EU-27 production is raised 0.5 million tons based on the latest production estimate released by the government of Lithuania.

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.

Global wheat trade is projected higher for 2012/13. Imports are raised 1.0 million tons for Iran, 0.5 million tons for South Korea, 0.3 million tons for Algeria, and 0.2 million tons each for China and Japan. Partly offsetting are reductions of 1.0 million tons for Egypt and 0.2 million tons for Kenya. Exports are raised 1.0 million tons for EU-27, 0.5 million tons for Brazil, and 0.3 million tons for Ukraine, more than offsetting this month's reduction for the United States.

World wheat ending stocks for 2012/13 are projected 1.5 million tons higher with the largest increases for India, Iran, and the United States. The biggest reductions in ending stocks are for Australia, Egypt, EU-27, Brazil, Canada, and Ukraine.

World wheat feed use is increased 1.3 million tons with 0.5-million-ton increases for Australia, Canada, and South Korea, and a 0.1-million-ton increase for Japan outweighing a 0.3-million-ton decrease for Egypt.

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 1st 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.

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
Production	607	685	679	653	696	656	656
Trade	110	137	128	126	145	137	137
Consumption	603	645	652	659	693	678	678
Carryover stocks	132	173	200	194	197	174	174
Y-O-Y change	5	41	27	-6	3	-22	-21
Major Exporters	47	69	79	73	70	51	50

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	08.03.13	Week Ago 21.02.13	Month Ago (January)	3 Months Ago (Nov)	Year Ago (Feb)
USA (Gulf)	SRW 2	4.33	282.2	301.6	315.4	356.3	270.5
France	FCW3	7.21	303.4	321.1	331.7	360.4	283
United Kingdom	Feed wheat	12.67	295.2	312.7	334.8	359.5	262
Australia	CWRS	14.12	289.86	294.41	317.74	340.4	254
Russia	SRW	NA	NA	NA	NA	335	285
Canada(Spot)	Q2FW	17.53	293	291.8	301.1	302.3	249.3
Ukraine	SRW	NA	NA	NA	NA	332.5	282.5
Argentina	SRW	NA	NA	NA	360	345	261

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	8-Mar-13	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
13-Mar	253.5	262.69	281.06	316.24	330.48	264.44	-4.14
13-May	256.07	264.07	284.09	319.36	329.74	267.28	-4.19
13-Jul	253.68	265.81	285.93	319.18	316.61	267.1	-5.02
13-Sep	256.1	269.12	289.97	322.03	316.52	269.76	-5.06
13-Dec	263.88	274.26	295.39	324.87	319.18	275.09	-4.08

CBOT May 13 Future Contract Chart:



International FOB prices (USD/T):

	US GULF	FRANCE	ENGLAND	AUSTRALIA	India
25-Feb-13	289.6	314	307.9	290.21	321.92
26-Feb-13	295	319.4	304.8	291.74	319.38
27-Feb-13	290.9	326.5	307	292.4	319.74
28-Feb-13	293.4	320.7	311.1	294.08	319.74
1-Mar-13	293	320.6	309.6	297.43	317.55
4-Mar-13	287.6	316.4	307.7	302.04	310.21
5-Mar-13	284.1	317.1	307.7	296.35	303.31
6-Mar-13	277.8	309.6	298.9	295.15	303.31
7-Mar-13	281.5	308.9	297.3	289.86	303.31
8-Mar-13	282.20	303.4	295.2	289.86	305.15

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.

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