

Domestic Market Updates:

Wheat cash market is likely to trade under pressure despite increasing possibility of delayed arrivals from Punjab, Haryana, Uttar Pradesh and Bihar. Now arrivals from these states are expected from the second week of April. Arrivals from new crop in Madhya Pradesh, Rajasthan and Gujarat have started picking up. FCI and state agencies are ready to buy maximum quantity coming into mandis.

Private exporters/traders are not active in Rajasthan and Madhya Pradesh as govt. is offering bonus of Rs 150 per qtl. over and above MSP. They all are waiting for crop in Uttar Pradesh, where no bonus has been declared so far. This means buyers will purchase wheat from Uttar Pradesh around MSP level and that will enable them to compete with other exporting nations.

Overall crop condition is good and we expect bumper crop once again over 93 million T. Supply in domestic market will increase with span of time and it will continue to weigh on market fundamental. Private exporters and traders are active only in Gujarat and trying to source maximum wheat above MSP. Gujarat being a port based state attracts buyers/exporters. This will limit procurement quantity there for the govt.

India has approved exports of 5 million tonnes direct to private traders, on top of 4.5 million tonnes already approved for tenders by state-run companies. The very idea of exporting wheat to liquidate stocks will get defeated, as exports will slow down if the government maintains its stand of not selling below \$300 a tonne. Global wheat outlook is bearish and June onward global price may slip with Black Sea Region crop.

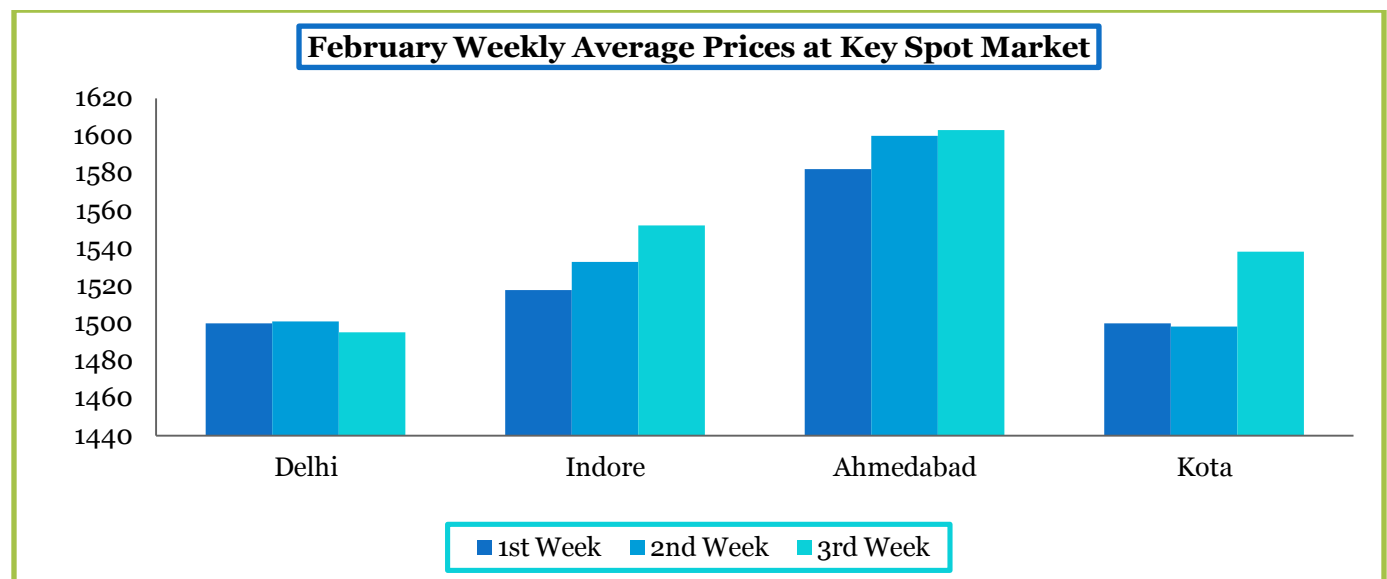
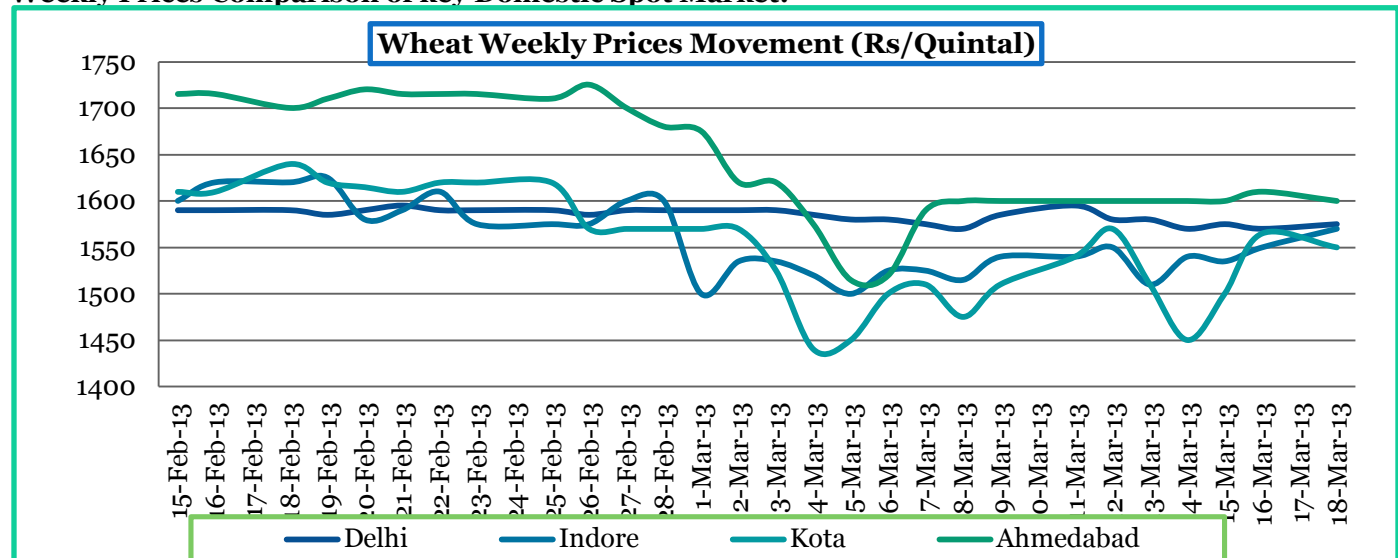
Government's subsidy bill for providing cheap rice and wheat to the poor and below poverty line (BPL) families via ration shops touched Rs 80,491 crore so far in the current fiscal. The subsidy on rice was Rs 36,540 crore as of March 6, 2013, while, that on wheat was Rs 43,951 crore. In the previous fiscal, subsidy on rice stood at Rs 49,041 crore and that on wheat was Rs 25,862 crore.

Wheat cash market is likely to stabilize near MSP in April, where MSP is not being offered. With continuation of export private trade activities are expected to be higher than last year. If wheat from Uttar Pradesh is sourced at Rs1350 and shifted to Kandla it will cost almost Rs150 more. This means actual costing would come to Rs 1500 per qtl. If Vat at 6 percent is charged the costing would go up Rs 80 more. Then handling charge of Rs 50 plus commission Rs 20 brings it to Rs 1630 per qtl. In \$ term it comes to near \$290 per T. Thus if Vat is reduced for exporters export viability from U.P. will increase. Buyers are interested to buy near \$290 to 295 per T on FOB basis as per the market feedback.

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:



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)

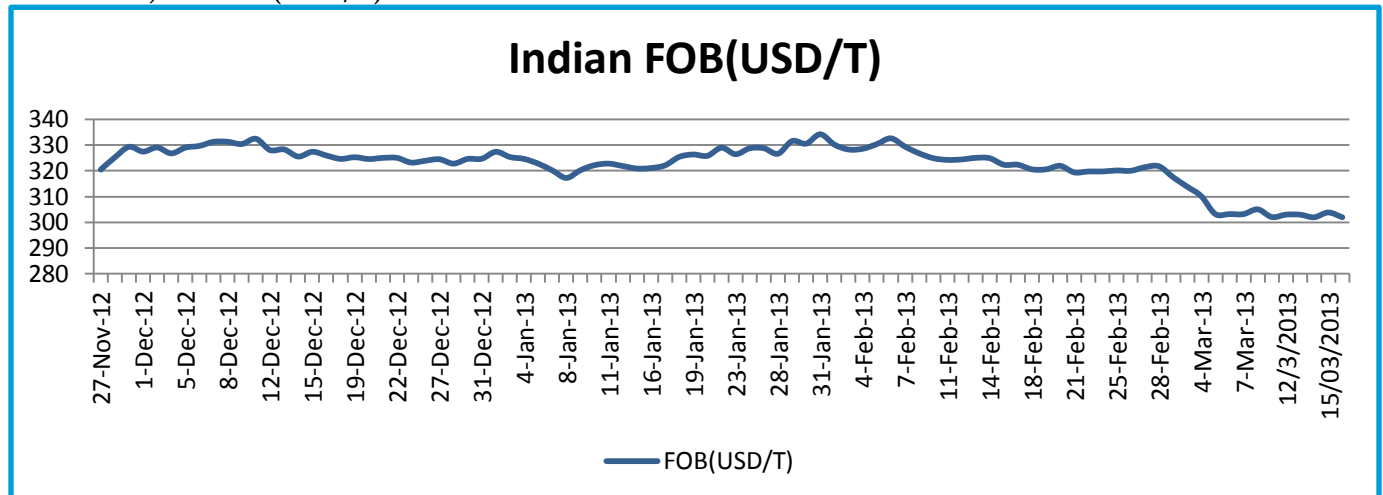
FOB Value as on 18.03.2013 from various destinations at Kandla:

Parity Calculation	Rajkot (Kandla)	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
Indian FOB (USD/MT)	309.45	315.90	338.92	323.26	328.79	279.98	351.81
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
CIF (kandla to Chittagong)	327	334	357	341	347	298	370
INR	54.29	54.29	54.29	54.29	54.29	54.29	54.29
Russian Wheat FOB (USD/MT)	332.5	332.5	332.5	332.5	332.5	332.5	332.5
Parity on FOB Basis (USD/MT)	23	17	-6	9	4	53	-19

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 %
Bareilly	1490	1576	1600	1235	20.65
Delhi	1680	1680	1650	1210	38.84
Indore	1594	1597	1593	1244	28.14
Khanna	1690	1686	1679	1381	22.38
Kota	1600	1625	1515	1140	40.35
Kanpur	-	1520	1500	1386	-
Karnal	1589	1623	1653	1211	31.21
Rajkot	1581	1633	1671	1233	28.22

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			18.03.2013	02.03.2013	
	Lawrence Road	Mill Quality	1575	1590	-15
	Nazafgarh	Mill Delivery Loose	1550	1560	-10
	Narella	Mill Delivery Loose	1530	1555	-25

Gujarat	Rajkot	Mill Delivery	1550	1600	-50
	Ahmedabad	Mill Delivery	1600	1620	-20
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1600	1600	0
	Indore	Mill Delivery	1570	1535	35
Rajasthan	Kota	Mill Quality	1550	1570	-20
U.P.	Mathura`	Mill Quality Loose	1460	1535	-75
Punjab	Khanna	Mill Quality Loose	1470	1470	0
Haryana	Sirsa	Mill Delivery loose	1480	1525	-45

Commodity: Wheat

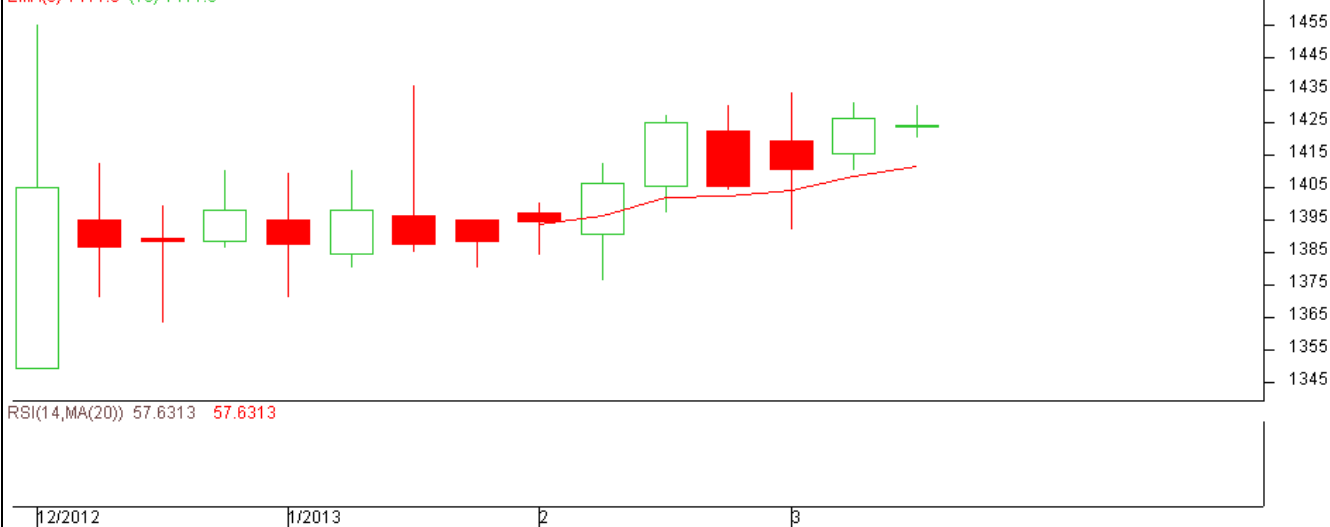
Contract: April

Exchange: NCDEX

Expiry: April 19th, 2012

Wheat (Weekly Chart)

Wheat New Delhi 1304(NCWHMJ3)2013/03/17 - Weekly B:1422.00 A:1425.00
 O 1423.00 H 1430.00 L 1420.00 C 1424.00 V 2,180 I 12,810 -2 -0.14%
 EMA(9) 1411.5 (18) 1411.5

Technical Commentary:

- Market is moving sideward and candlestick chart depicts Consolidation.
- Rise in price and OI hints towards Long Buildup.
- 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	1403.5	1426	1435	1455
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	April	Sell	Below 1424	1415	1410	1435

*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 fell on speculation that a rebound in global output will reduce demand for supplies from the U.S., the biggest shipper. Soft-wheat production in the European Union may rise 2.6 percent to 127.77 million metric tons, the Brussels-based grain- industry lobby Coceral said yesterday. SovEcon raised its Russian grain-crop forecast to 84 million to 89 million tons from 80 million to 87 million last month and up from 70.9 million a year ago. Wheat contribution in total production is expected to rise.

Production in Romania, the bloc's fifth-biggest wheat grower, may jump 23 percent from last year to 6.14 million tons, while output rises 12 percent in Bulgaria and 11 percent in Spain. Parts of the southern and eastern EU had dry weather last year. In the U.K., the third-biggest producer, the crop may slide 10 percent to 11.98 million tons. Wet weather last year prevented farmers from planting some winter crops, the U.K. Agriculture & Horticulture Development Board has said.

Soft-wheat sales to Algeria, the largest buyer of French wheat, jumped to 328,275 tons from 90,815 tons a year earlier, the customs data show. France was the world's fifth-biggest wheat shipper last year, after the U.S., Australia, Russia and Canada, based on data from the International Grains Council. Soft-wheat exports in the first seven months of the crop year that started July 1 were 9.48 million tons, compared with 8.72 million tons in the year-earlier period.

Crop condition in Black Sea region is better than expectation. Black Sea wheat is being offered around \$300 a tonne into South East Asia as compared to Indian prices of around \$315 to \$320 a tonne for July shipment. Australia, US too are trying to offload more wheat in the international market with improved crop prospects. Global wheat market is expected to trade range bound to weak in the medium term.

Russia risks losing global business in the 2013-14 season that starts July 1 unless the country's domestic prices fall at least 29 percent. If domestic prices don't decline to a level of \$250 a metric ton or lower in the season 2013-14, Russian wheat may not be competitive, Andrey Sizov Jr., managing director of SovEcon consultancy. The domestic wheat price in Russia's Southern federal district, the country's main exporting area, is slightly above \$350 a ton, Sizov said. That compares with \$265 to \$275 a ton for exporters on a free-on-board basis at ports there.

World wheat production should climb this year as the US recovers from drought and the Black Sea region rebounds from the dry. The Australian Bureau of Agriculture and Resources Economics and Sciences forecasts that while the world indicator price was expected to fall 12 per cent to US\$320 a tonne this year, it was expected to remain above the average of US\$292 a tonne for the next five years. The forecast was released at the Outlook Conference in Canberra last week.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2007-08	2008-09	2009-10	2010-11	2011-12 estimated	Million T 17.01.2013	Projection for 2012-13 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

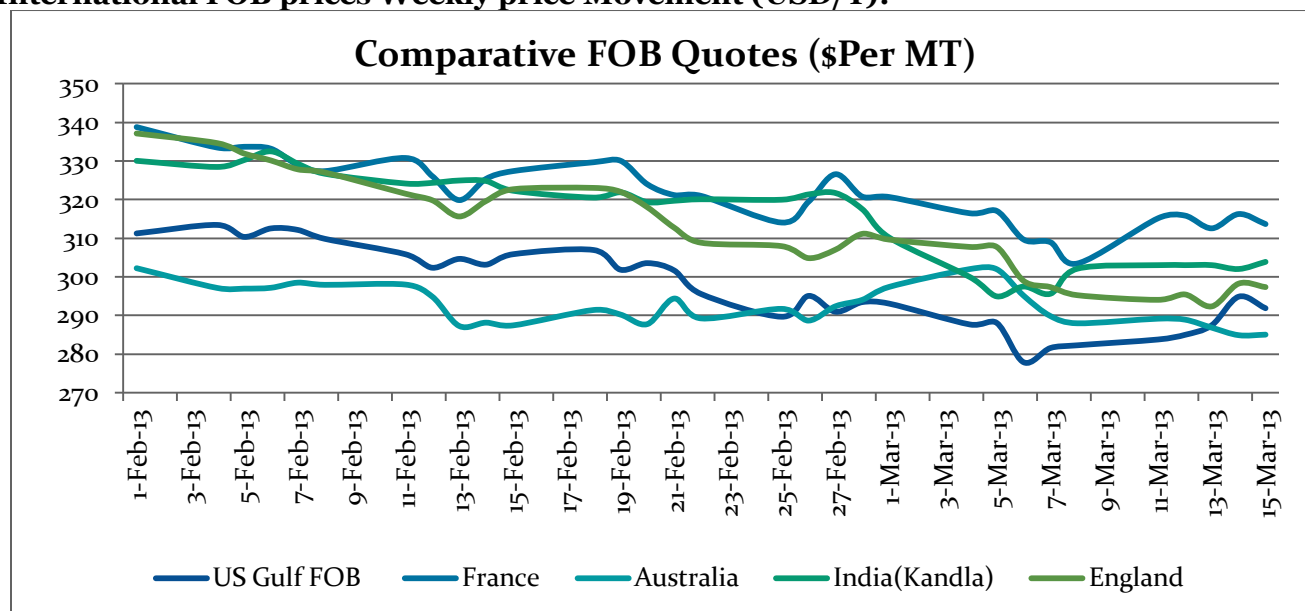
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	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	18 Mar 2013	01 Mar 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
May-13	261.86	264.71	284.09	319.36	329.74	267.28	-2.028
July-13	261.96	265.35	285.93	319.18	316.61	267.10	-1.924
Sept-13	264.44	268.11	289.97	322.03	316.52	269.76	-1.972
Dec-13	269.21	272.79	295.39	324.87	319.18	275.09	-2.137
Mar-14	273.99	277.39	299.89	326.34	321.57	275.64	-0.599

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.

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