

### Domestic Market Updates:

**In the week under review two tenders were issued** by the PSU PEC and MMTC in which no bids were received as government has fixed USD 300/T, FOB as base price but international market is ruling around USD 280-285/T, FOB.

**Government has started procuring wheat in Rajasthan** and as of now it seems that government can procure around 22 lakh tonnes of wheat as compared to previous years' 19.74 lakh tonnes as per estimates by traders.

**Haryana government has banned import of wheat from** neighboring state as it expects to harvest bumper crop once again. Government is expecting to procure around 87.30 lakh tonnes of wheat this year. Farmers have been advised to bring wheat with 12% moisture maximum and foreign matter of 7% maximum.

**Some damage to standing wheat crop has been reported** in Narsingh, Jabalpur, Katni and Satana region from hailstorm last week in Madhya Pradesh. According to traders farmers are holding good quality of wheat as they anticipate higher prices later on since exports are going on. New crop arrivals are reaching in Mandis at Alwar, Kota and Bundi as harvesting has picked up but in Gananagar region crop harvesting has yet to take off.

**Wheat harvesting in Punjab and Haryana is about to start** and government expects 227.30 lakh tonnes from these two states. 140 lakh tonnes wheat from Punjab and 87.3 lakh tonnes from Haryana is expected to be procured, however carryover stocks from last year might create storage problems. As wheat harvesting is underway, a glut situation is arising due to expected crop of around 93 million tonnes and a carryover stock of around 27 million tonnes.

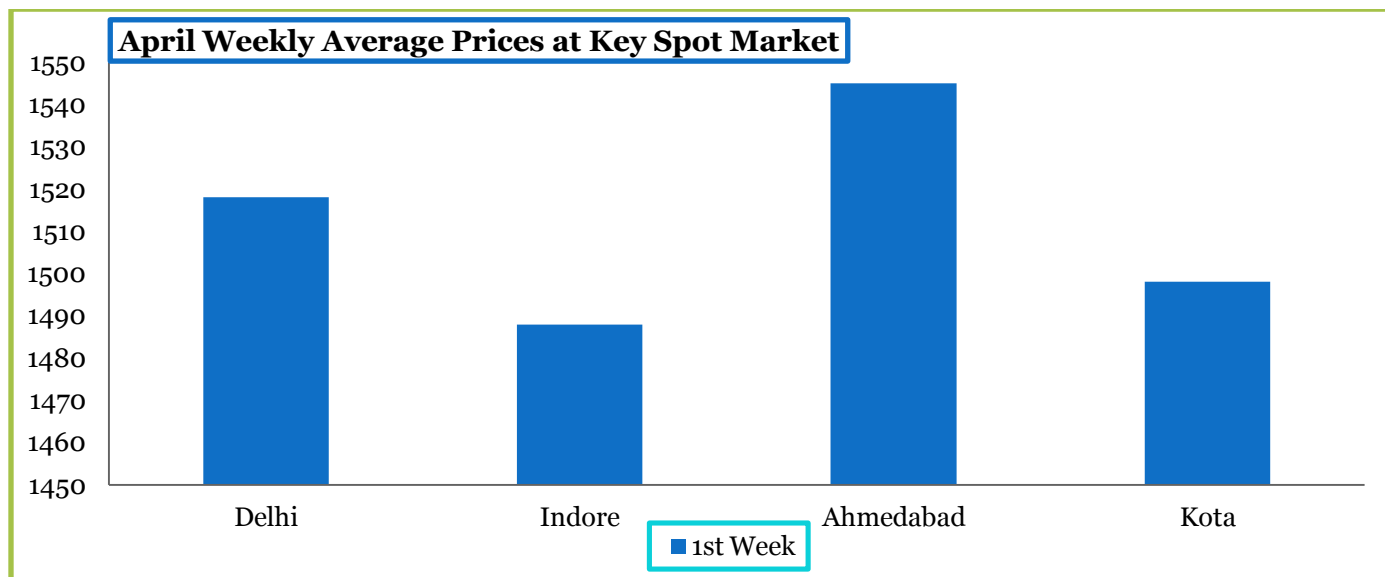
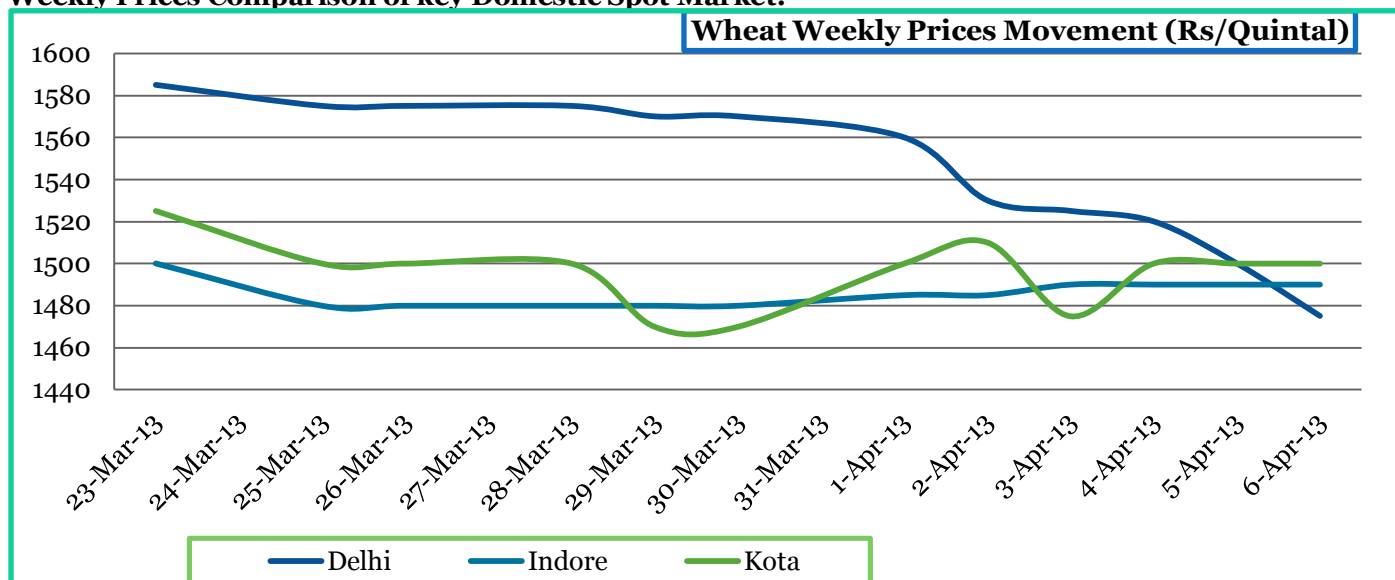
**Wheat market continued to reel under** pressure on expectation of better supply side in the weeks ahead on the back of bumper crop prospects and with harvesting activities being round the corner in the north Indian states. Despite procurement with bonus in Rajasthan, Uttar Pradesh and Madhya Pradesh by the govt.'s agencies pressure on cash wheat market is likely to continue.

**M.P. is targeting a procurement of 11.5 million tonnes up** from 8.5 million tonnes procured last year. Since the commencement of first phase of procurement in M.P, government agencies have procured 2.6 lakh tonnes wheat from Ujjain, Indore, Hoshangabad and Bhopal. In Uttar Pradesh, the arrivals have begun to trickle in Agra, Gonda and Shahjahanpur mandis.

### Weather Watch:

- Cumulative rainfall from 1st March to 3rd April excess in 10 and deficient/scanty in 23 and no rain in 3 out of 36 meteorological sub-divisions. (All India Actual: 17.5 mm, Normal: 34.2 mm and Departure: -49%).
- Forecast for next week is rain/thundershowers would occur at a few places over northeastern states during 1st half and at one or two places during 2nd half of the week.
- A fresh western disturbance would affect western Himalayan region from 9th April 2013. Maximum temperatures would rise by 2-3°C over northwest and adjoining east & central India till 9th April. Weather would be mainly dry over rest parts of the country.

## Weekly Prices Comparison of key Domestic Spot Market:



Prices remained weak during the week under review due to increased pace of new crop arrivals. Prices are expected to fall further in the week ahead as arrivals will pick pace in Rajasthan, Punjab and Haryana.

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
<b>TOTAL</b>	<b>622.55</b>	<b>6.17</b>	<b>628.72</b>
COARSE GRAINS	0.71	0.00	0.71
SUGAR	0.31	0.07	0.38
<b>GRAND TOTAL</b>	<b>623.57</b>	<b>6.24</b>	<b>629.81</b>

(Figures in Lakh Tonnes)

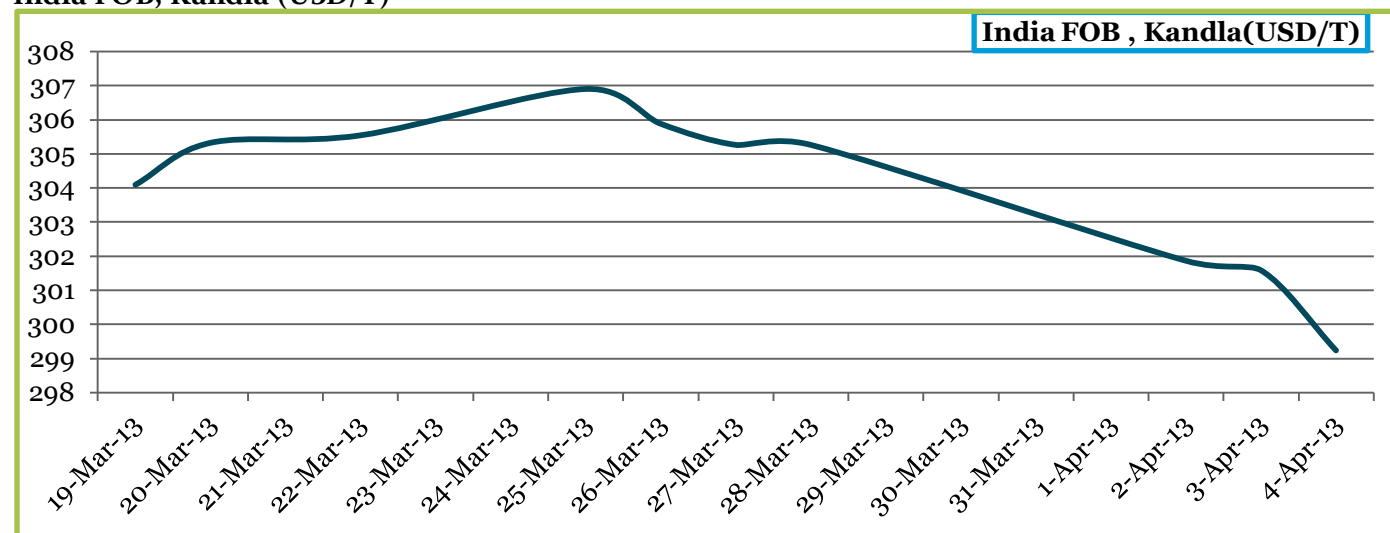
FOB Value as on 06.04.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15000	14800	14500	14500	14350	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)	16000	16450	16900	16450	16400	15200	19100
<b>Indian FOB (USD/MT)</b>	<b>291.55</b>	<b>299.74</b>	<b>307.94</b>	<b>299.74</b>	<b>298.83</b>	<b>276.97</b>	<b>348.03</b>
Insurance @ 0.1%	0.29	0.30	0.31	0.30	0.30	0.28	0.35
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
<b>CIF (Kandla to Chittagong)</b>	<b>310</b>	<b>318</b>	<b>326</b>	<b>318</b>	<b>317</b>	<b>295</b>	<b>366</b>
INR	54.88	54.88	54.88	54.88	54.88	54.88	54.88
Russian Wheat FOB (USD/MT)	-	-	-	-	-	-	-
Parity on FOB Basis (USD/MT)	-	-	-	-	-	-	-

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

	06 Apr, 2013	Week ago 30 Mar 13	Month ago 6 Mar 13	Year ago 7 Apr 2012	Change over previous Year %
<b>Bareilly</b>	1463	1455	1500	1219	<b>20.02</b>
<b>Delhi</b>	1420	-	1620	1225	<b>15.92</b>
<b>Indore</b>	1500	1576	1589	1289	<b>16.37</b>
<b>Khanna</b>	1640	1646	1690	1425	<b>15.09</b>
<b>Kota</b>	1450	-	1570	1170	<b>23.93</b>
<b>Kanpur</b>	1483	1550	1515	1397	<b>6.16</b>
<b>Karnal</b>	1525	-	1521	1262	<b>20.84</b>
<b>Rajkot</b>	1513	1500	1500	1248	<b>21.23</b>

India FOB, Kandla (USD/T)



**Wheat Export Monthly Data:**

	Wheat Export(Lakh T)	Average FOB Kandla Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
<b>Sept 11- Mar 12</b>	<b>7.68</b>	<b>232.12</b>	<b>237.46</b>
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	5.12	325.04	282.26
Feb-13	5.82	324.11	270.06
Mar-13	6.09	303.64	262.31
<b>Total for 2012-13</b>	<b>50.23</b>		

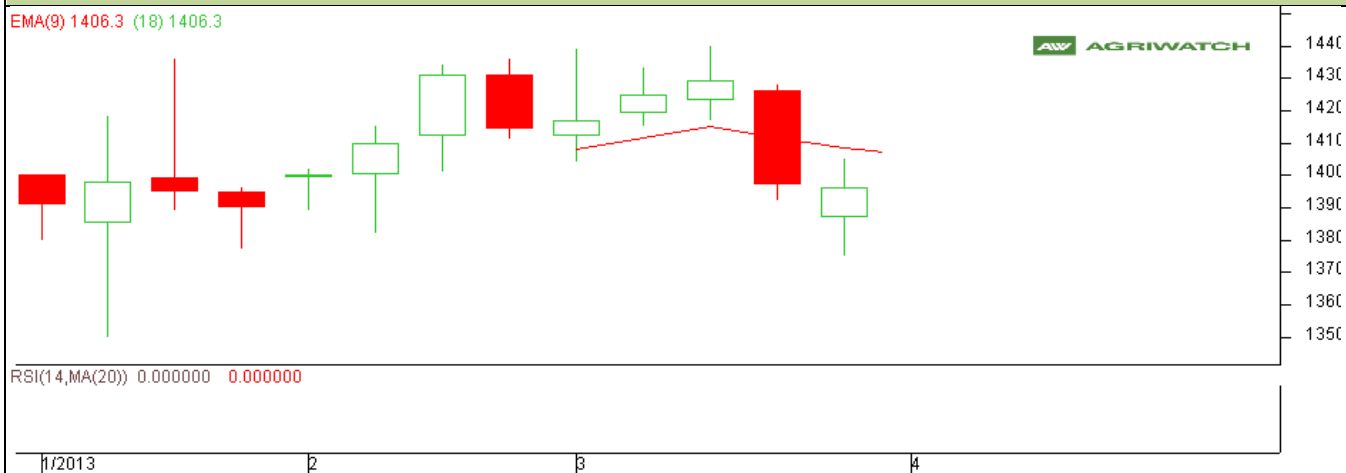
**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06.04.2013	30.03.2013	
Delhi	Lawrence Road	Mill Quality	1475	1570	-95
	Nazafgarh	Mill Delivery Loose	1380	1500	-120
	Narella	Mill Delivery Loose	1385	1520	-135
Gujarat	Rajkot	Mill Delivery	1500	NA	-
	Ahmedabad	Mill Delivery	1580	NA	-
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1650	NA	-
	Indore	Mill Delivery	1490	1480	10
Rajasthan	Kota	Mill Quality	1400	1470	-70
U.P.	Kanpur	Mill Delivery	1350	1475	-125
Punjab	Khanna	Mill Quality Loose	1450	1475	-25
Haryana	Sirsa	Mill Delivery loose	1465	1475	-10

Commodity: Wheat  
Contract: May

Exchange: NCDEX  
Expiry: 20<sup>th</sup> May, 2012

### Wheat (Weekly Chart)



### Technical Commentary:

- Market is moving downward and candlestick chart depicts bearishness.
- Fall in price but rise in Volume and OI hints towards Short Buildup.
- Prices closed above 9 and 18 days EMA.

### Strategy: Sell from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	May	1350	1365	1396	1419	1440
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	May	<b>Sell</b>	Below 1400	1380	1370	1412

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

**Domestic Weekly Outlook:** Spot and Future market is likely to trade under pressure due to seasonal factors like arrivals.

### International Market Updates:

**Egypt is expected to import 8-10% lower wheat as** it expects around 10 million tonnes domestic production. Egypt's wheat stocks of imported and local wheat fell to 2.11 million which is enough to last 85 days, according to ministry report as on March 27 2013.

**According to USDA estimate, Russian wheat crop is expected** to rise about 33-50% due to larger area coverage and improved weather condition. In 2013-14 Russia is expected to export around 15 million tonnes wheat.

**According to US metrological department rains may hit** US plains and Midwest over next two week, which will be extremely beneficial for winter wheat crop. Wheat crop was earlier rated as worst start in early April in 11 years.

**A fall of around 10% in Russian domestic grain prices Since February** due to sales from government stock, but this fall in prices has revived the interest in exporters. Russia has been exporting about 50,000 to 60,000 tonnes of grain, mainly maize and wheat, every week now According to IKAR's Dmitry Rylko. From 1 July 2012 till March 2013 the marketing season, Russia's grain exports exceeded 14.7 million tonnes, including 10.25 million of wheat.

**Moroccan state grains agency ONICL has bought 178,000 tonnes** of local soft wheat at USD 290- USD 330/tonne. It has extended a freeze on 17% import duty on soft wheat to April 31 to ensure regular supply of wheat to the domestic market after drought hit its local crop last year. However this year rains has been good and a good domestic harvest is expected.

**CBOT may fall further due to lower export sales of US wheat and forecast** of rains in US plains by US metrological department. New crop arrivals from India and improvement in crop condition of Russia and Ukraine is creating bearish pressure.

**Malaysian Flour Millers have bought 50,000 MT** Australian Wheat for June delivery. Australian Prime hard wheat with 13% protein was bought at USD 360/Tonne CNF and Australian prime wheat at USD 350/Tonne CNF. Major wheat buyers are refraining from purchases as they are waiting for US stock position. Australian Wheat was offered at USD 370.55/T on CNF basis, which is lowest price for 50,000 MT Wheat tender issued by Iraq.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2007-08	2008-09	2009-10	2010-11	2011-12 estimated	Million T	Projection for 2012-13
						21.02.2013	21.03.2013
<b>Production</b>	607	685	679	653	696	656	656
<b>Trade</b>	110	137	128	126	145	137	138
<b>Consumption</b>	603	645	652	659	692	677	676
<b>Carryover stocks</b>	132	173	199	193	197	176	177
<b>Y-O-Y change</b>	5	41	27	-6	4	-21	-20
<b>Major Exporters</b>	47	69	79	74	71	50	51

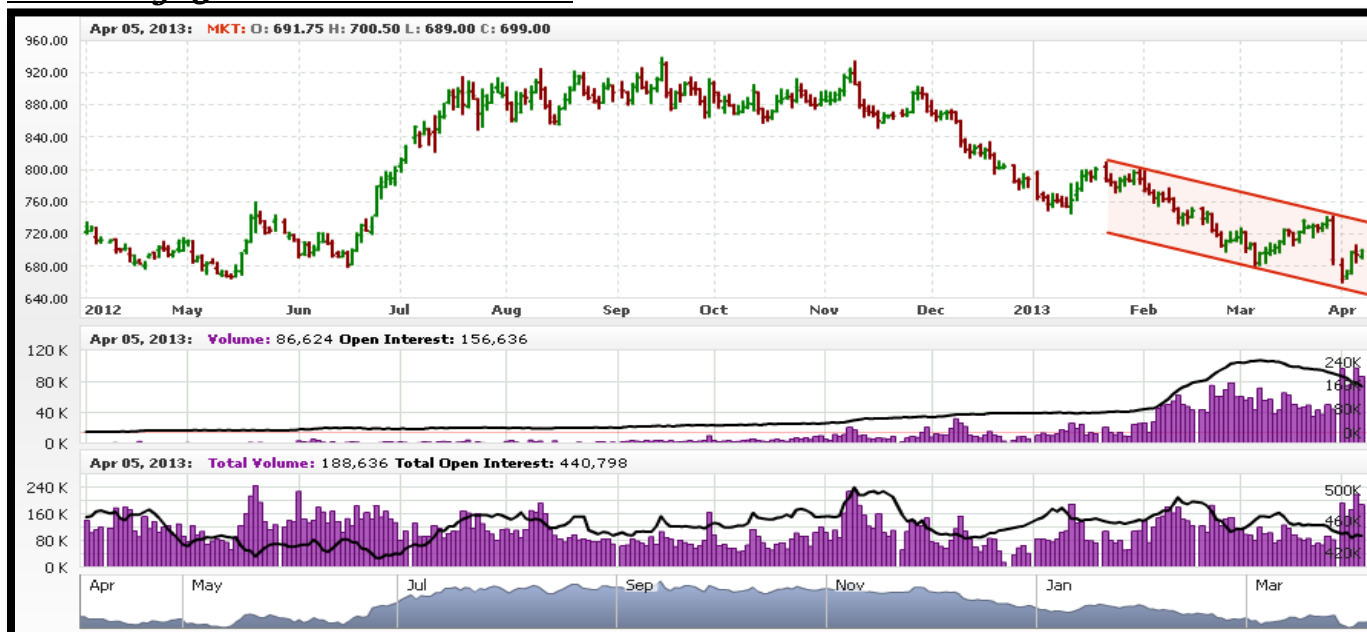
**Indicative FOB Quotes:**

	Variety	% Change over Prev. Year	04.04.13	Week Ago 28.03.13	Month Ago (March)	3 Months Ago (Jan)	Year Ago (Apr)
<b>USA (Gulf)</b>	SRW 2	<b>6.82</b>	278.80	268.80	287.60	312.70	261.00
<b>France</b>	FCW3	<b>10.94</b>	317.30	309.10	316.40	322.90	286.00
<b>United Kingdom</b>	Feed wheat	<b>12.62</b>	305.20	304.50	307.70	329.70	271.00
<b>Australia</b>	CWRS	<b>7.59</b>	270.04	282.10	302.04	310.35	251.00
<b>Russia</b>	SRW	<b>-5.37</b>	282.00	272.00	272.00	335.00	298.00
<b>Ukraine</b>	SRW	<b>-5.08</b>	280.00	270.00	270.00	332.50	295.00
<b>Argentina</b>	SRW	<b>37.25</b>	350.00	312.50	350.00	370.00	255.00

Global wheat market is expected to trade between USD 270-300/T in the week ahead as higher stocks than expectation in US and rains forecasted in US plains will put pressure on market as crop prospects will improve.

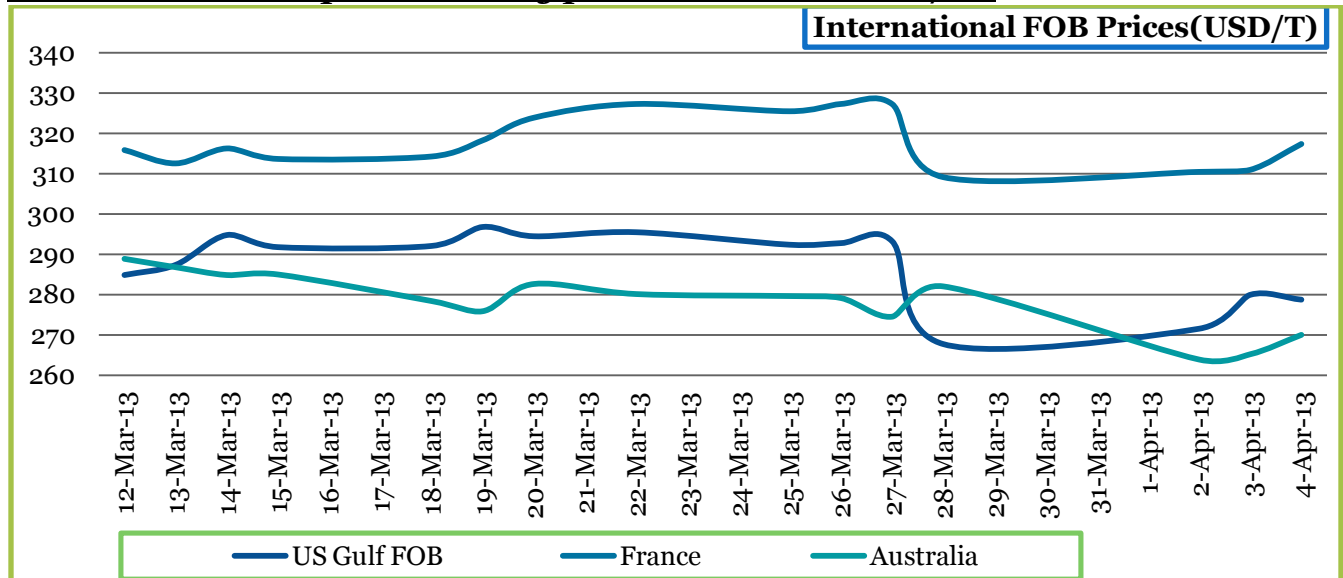
**CBOT FUTURES CONTRACT:**

CONTRACT MONTH	05 Mar 2013	Week ago (1 Apr 2013)	1 Month ago (5 Mar 13)	3 Month ago (7 Jan 13)	6 Month ago (5 Oct 12)	1 Year ago (Mar 12)	% Change over previous year
May-13	256.81	243.95	259.38	279.59	319.45	261.68	<b>-1.86</b>
July-13	258.74	245.79	260.67	282.07	308.71	261.68	<b>-1.12</b>
Sept-13	261.68	249.19	263.70	286.94	310.09	266.82	<b>-1.93</b>
Dec-13	266.37	254.52	268.75	292.08	314.13	272.15	<b>-2.13</b>
Mar-14	271.23	259.84	273.35	296.22	316.88	274.36	<b>-1.14</b>
May-14	274.17	261.77	273.62	296.22	308.62	276.19	<b>-0.73</b>

**CBOT May 13 Future Contract Chart:**



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



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

**Argentina-** Rainfall totaled more than 10 mm from southern Cordoba southeastward through Buenos Aires, with higher amounts (greater than 25 mm) in east-central Buenos Aires. Satellite-based rainfall estimates depicted similar amounts in La Pampa, but drier conditions were evident in Santa Fe and Entre Rios.

**Russia and Ukraine** – Persistent cold in northern crop areas expanded into southern portions of Russia and Ukraine, slowing winter crop development and possibly causing localized burn back to vegetative winter wheat.

**Australia-** In southern Queensland and northern New South Wales, hot, mostly dry weather (less than 5 mm) continued to favor summer crop maturation and harvesting. Winter wheat planting typically begins in mid-April in central Queensland. Elsewhere in Australia, the bulk of the wheat crop is normally planted during May and June.

**North West Africa-** Showery, mild weather maintained good to excellent winter grain prospects across the region. Rain was heaviest in Morocco, where 5 to 20 mm maintained adequate to abundant soil moisture for vegetative to reproductive wheat

***International Weekly Outlook:*** International Future and Spot market is expected to trade weak as rains are forecasted in US plains which will improve crop prospects and Indian crop arrivals will create bearish sentiment.

**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.