

Domestic Market Updates:

Wheat inflation in March, 2013 was 19.87% which is lower than February's 21.63%. WPI has fallen from 206.9 in February to 206.3 in March. Inflation is expected to fall further in April due to new crop arrivals.

During the week MMTC issued wheat tender and MMTC has received highest bid of USD 302/T for 50,000 MT wheat to shipped by 5 June from east port. Earlier tender of MMTC received no bids.

With rising temperature arrival from newly harvested crop has started picking up in the northern states. However, weather remains the key concern in many regions. Overall condition in Punjab and Haryana is dry.

Crop from other states may enter in M.P. and Rajasthan as farmers of adjoining states are willing to take advantage of bonus and higher prices in local market. Supply is likely to increase continuously and will continue to weigh the market sentiment.

Rakes are being loaded from Eastern U.P for South India at Rs 1450/Q, Delivered basis. Traders are offering Rs 1400-1425/Q in Rajasthan for new crop and Government is purchasing with token system limiting daily procurement to 500 MT per day, as per feedback from Farmers and Traders.

Wheat harvesting has almost concluded in Madhya Pradesh, 75-80% in Rajasthan, 95-96% in Gujarat, 25% in U.P and 15-20% in Bihar. Private traders are not getting export parity from Rajasthan and Gujarat as FOR kandla is around Rs 1570/Q (USD 287.91/MT). Russia and Ukraine is offering wheat at USD 265-275/T.

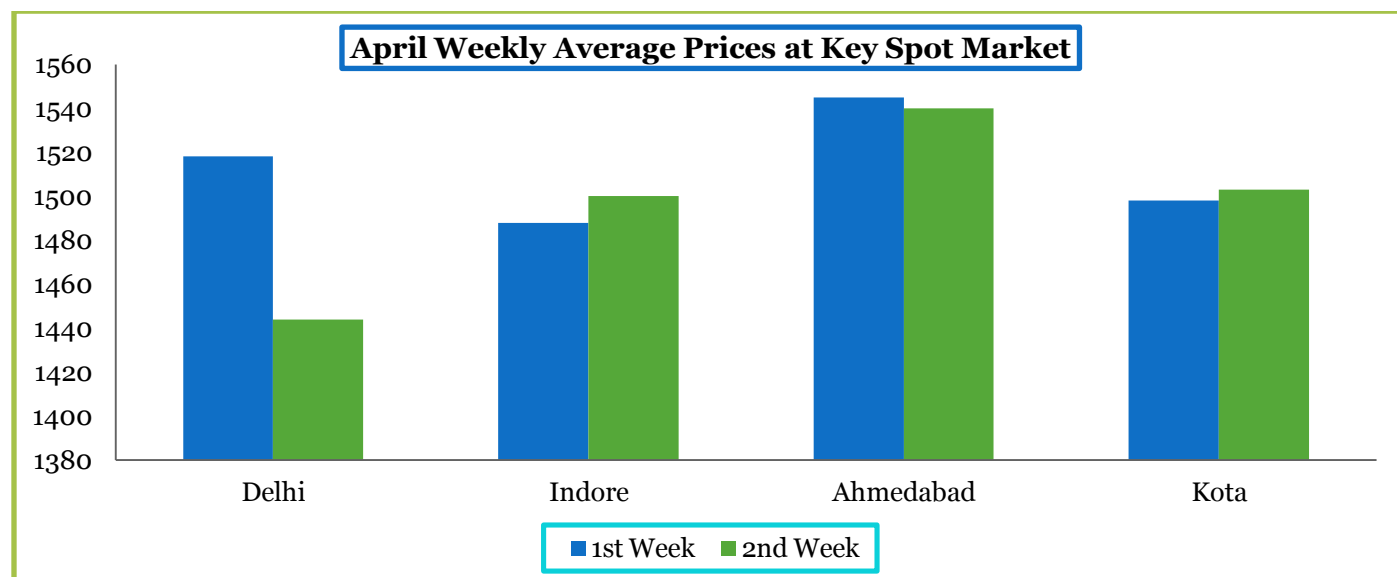
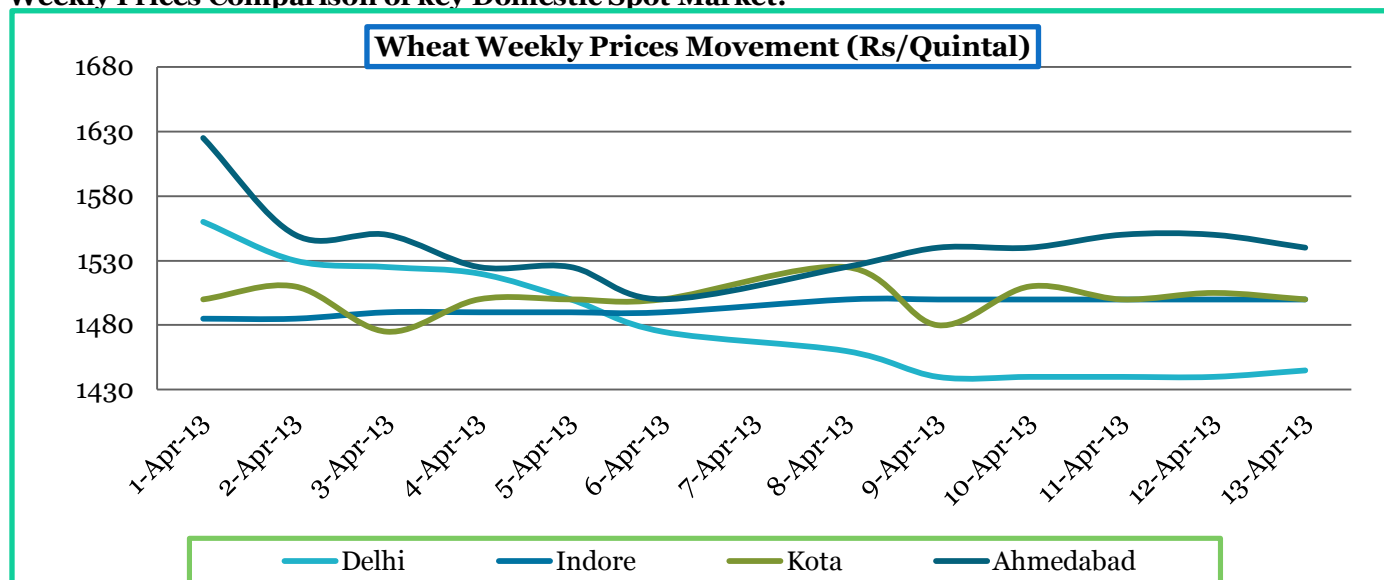
As on 1 April 2013, Wheat stock in central pool was 242.07 lakh tonnes which was 199.52 at the same time, last year.

Traders in M.P are buying new wheat crop in small quantity at Rs 1250-1280/Q, as wheat discolored due to untimely rains and hailstorm and higher level of content of foreign matter. Traders say, they will abstain buying new crop for a week more, at least.

Weather Watch:

- Cumulative rainfall from 1st March to 10 April excess/normal in 10 and deficient/scanty in 23 and no rain in 3 out of 36 meteorological sub-divisions. (All India Actual: 19.4 mm, Normal: 42.2 mm and Departure: -54%).
- Forecast for next week is rain/thundershowers would occur at a few places over north eastern states and rain/thundershowers would occur at one or two places over extreme south peninsular India during a few days of the week.
- A western disturbance would affect western Himalayan region from 15th April.

Weekly Prices Comparison of key Domestic Spot Market:



Prices remained steady to 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 harvesting will pick up in Punjab and Haryana.

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.04.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	350.57	4.11	354.68
WHEAT	239.30	2.77	242.07
Wheat lying in Mandies	0.00	0.00	0.00
TOTAL	589.87	6.88	596.75
COARSE GRAINS	0.83	0.00	0.83
SUGAR	0.26	0.05	0.31
GRAND TOTAL	590.95	6.93	597.88

(Figures in Lakh Tonnes)

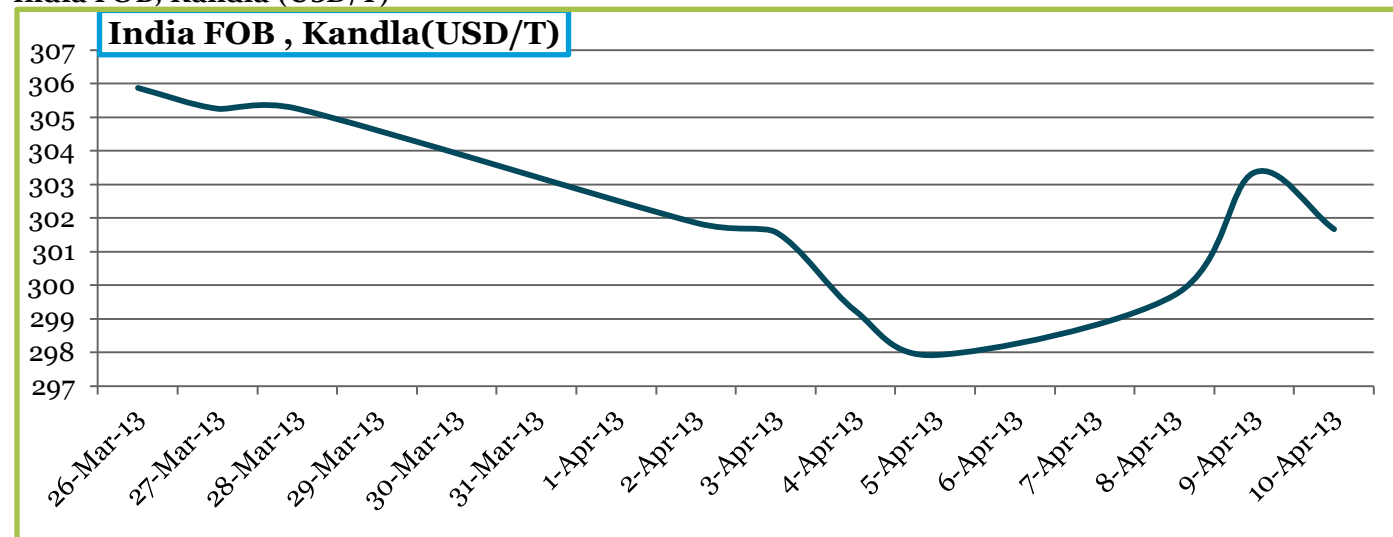
FOB Value as on 13.04.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15200	14900	13500	14600	13400	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)	16200	16550	15900	16550	15450	15200	19100
Indian FOB (USD/MT)	297.58	304.00	292.06	304.00	283.80	279.21	350.84
Insurance @ 0.1%	0.30	0.30	0.29	0.30	0.28	0.28	0.35
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	316	322	310	322	302	297	369
INR	54.44	54.44	54.44	54.44	54.44	54.44	54.44
Russian Wheat FOB (USD/MT)	268.5	268.5	268.5	268.5	268.5	268.5	268.5
Parity on FOB Basis (USD/MT)	-29	-36	-24	-36	-15	-11	-82

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

	13 Apr, 2013	Week ago 6 Mar 13	Month ago 13 Mar 13	Year ago 13 Apr 2012	Change over previous Year %
Bareilly	1493	1463	1493	1219	22.48
Delhi	1450	1420	1600	1225	18.37
Indore	1445	1500	1584	1293	11.76
Khanna	1597	1640	1675	1463	9.16
Kota	1425	1450	1510	1160	22.84
Kanpur	1445	1483	1520	1422	1.62
Karnal	1541	1525	1525	1262	22.11
Rajkot	1518	1513	1550	1243	22.12

India FOB, Kandla (USD/T)



Wheat Export Monthly Data:

	Wheat Export(Lakh T)	Average FOB Kandla Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.68	232.12	237.46
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	4.53	310.07	328.89
Sep-12	5.75	314.48	326.52
Oct-12	5.87	312.11	317.84
Nov-12	5.53	320.19	317.04
Dec-12	6.42	326.70	299.60
Jan-13	5.63	325.04	282.26
Feb-13	5.88	324.11	270.06
Mar-13	6.82	303.64	262.31
Total for 2012-13	56.98		

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			13.04.2013	06.04.2013	
Delhi	Lawrence Road	Mill Quality	1445	1475	-30
	Nazafgarh	Mill Delivery Loose	1375	1380	-5
	Narella	Mill Delivery Loose	1380	1385	-5
Gujarat	Rajkot	Mill Delivery	1540	1500	40
	Ahmadabad	Mill Delivery	1590	1580	10
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1625	1650	-25
	Indore	Mill Delivery	1500	1490	10
Rajasthan	Kota	Mill Quality	1400	1400	Unch
U.P.	Kanpur	Mill Delivery	1320	1350	-30
Punjab	Khanna	Mill Quality Loose	1355	1450	-95
Haryana	Sirsa	Mill Delivery loose	1350	1465	-115

Commodity: Wheat
Contract: May

Exchange: NCDEX
Expiry: 20th May, 2012

Wheat (Weekly Chart)



Technical Commentary:

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

Strategy: Buy from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	May	1375	1390	1420	1440	1450
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	May	Buy	1412-1415	1428	1435	1400

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

Domestic Weekly Outlook: Spot and Future market is likely to trade steady to weak as supply will pressurize market.

International Market Updates:

As per USDA latest report, US ending stocks are projected 15 million bushels higher, as weak demand is seen from feed industry and world wheat ending stocks are projected at 182.26 million tonnes as compared to 178.23 million tonnes in previous report.

As per reports from USDA Egypt wheat output is expected to rise from 8.5 million tonnes in 2012-13 to 8.7 million tonnes in 2013-14 and Morocco's wheat production is likely to increase from 3.87 million tonnes to 5.9 million tonnes. This rise in wheat output is mainly attributed to better rains.

According to Dmitry Rylko Russia is expected to harvest 89-90 million tonnes of grains this year which is lower than previous estimate of 90-92 million tonnes due to lower yields.

South Korean Major Feedmill group has bought 55,000 MT feed wheat from Concordia for USD 309.75/T. CNF basis to be delivered by July 20, 2013. According to reports, China has bought around 90,000 tonnes of soft milling wheat US origin at USD 320-325/T, CNF.

Russia has re-entered international grain market though with modest quantities as domestic prices have fallen after government intervention. New milling wheat crop FOB is quoted around USD 260-270/T. Prices are expected to fall further.

According to French grain consultancy Agritel, France is expected to produce 34.8 million tonnes soft wheat this year at average yield of 6.98 metric tonnes per hectare. Production is estimated 1 million tonne lower than last year as weather has not been conducive for wheat plant growth.

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.

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
Production	607	685	679	653	696	656	656
Trade	110	137	128	126	145	137	138
Consumption	603	645	652	659	692	677	676
Carryover stocks	132	173	199	193	197	176	177
Y-O-Y change	5	41	27	-6	4	-21	-20
Major Exporters	47	69	79	74	71	50	51

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	10.04.13	Week Ago 03.04.13	Month Ago (March)	3 Months Ago (Jan)	Year Ago (Apr)
USA (Gulf)	SRW 2	6.82	278.10	280.00	283.70	316.30	259.00
France	FCW3	10.94	323.90	310.90	315.10	334.50	287.00
United Kingdom	Feed wheat	12.62	305.70	302.80	294.00	334.40	275.00
Australia	CWRS	7.59	278.57	265.22	290.29	304.57	245.00
Russia	SRW	-5.37	282.00	272.00	272.00	335.00	298.00
Ukraine	SRW	-5.08	280.00	270.00	270.00	332.50	295.00
Argentina	SRW	37.25	320.00	325.00	312.50	360.00	255.00

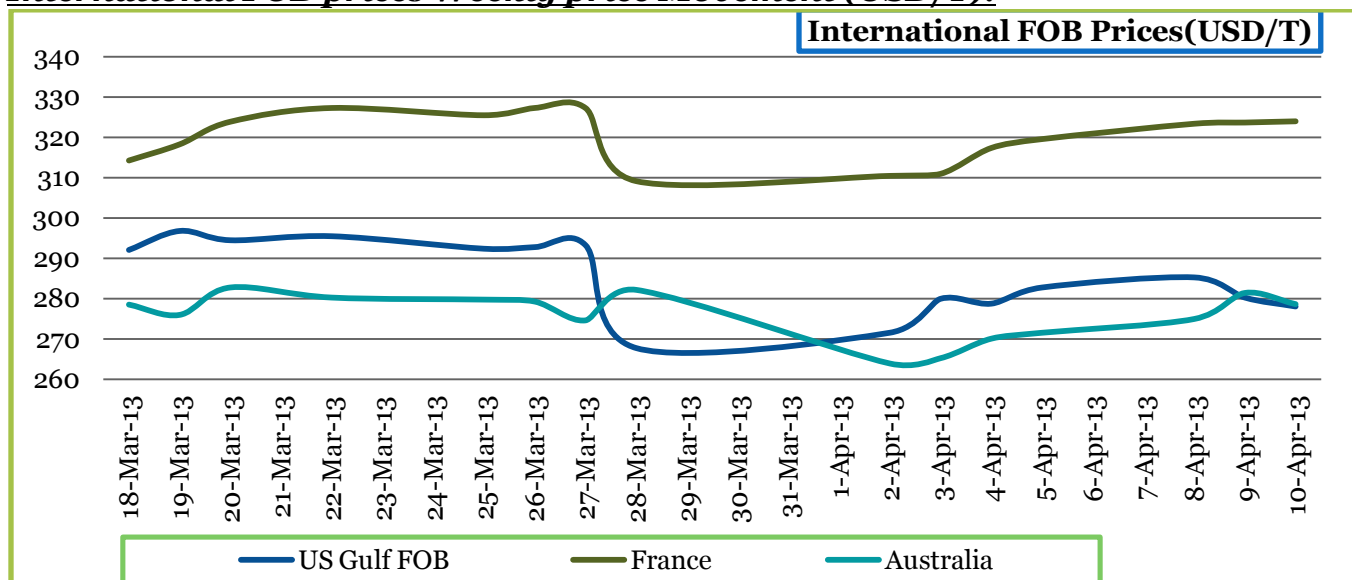
Global wheat market is expected to trade between USD 280-330/T in the week ahead as higher stocks than expectation in US and rains forecasted in US plains will put pressure on market as crop prospects will improve.

CBOT FUTURES CONTRACT:

CONTRACT MONTH	12 Apr 2013	Week ago (5 Apr 2013)	1 Month ago (12 Mar 13)	3 Month ago (14 Jan 13)	6 Month ago (12 Oct 12)	1 Year ago (12 Apr 12)	% Change over previous year
May-13	262.60	256.81	258.47	284.18	320.65	257.91	1.82
July-13	264.34	258.74	258.56	285.47	309.08	260.12	1.62
Sept-13	266.46	261.68	261.04	288.32	310.36	263.52	1.12
Dec-13	271.42	266.37	266.00	293.46	313.39	270.13	0.48
Mar-14	276.38	271.23	270.59	297.78	315.50	271.05	1.97
May-14	278.49	274.17	271.32	297.04	308.52	272.70	2.12

CBOT May 13 Weekly Future Chart:

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



International Weather update: (Source-USDA)

Argentina- Heavy rain returned to central Argentina, hampering summer grain and oilseed harvesting and causing localized flooding. Rainfall totaled 25 to 100 mm over a broad area extending from La Pampa to the northeast; amounts in excess of 100 mm were recorded from southeastern Cordoba to northeastern Buenos Aires, with amounts approaching 200 mm in some locations.

Russia and Ukraine –Last week's cold snap in southern Ukraine and Russia's Southern District was quickly replaced by a return to warmer-than-normal conditions, promoting winter grain development and encouraging spring grain planting. Precipitation was confined to western- and northern-most growing areas, with dry weather observed across most key winter wheat areas of Ukraine and southern Russia

Australia- In southern Queensland and extreme northeastern New South Wales, wet, relatively cool weather slowed summer crop maturation and harvesting.

North West Africa- Wet, mild weather maintained good-to-excellent winter grain prospects across the region. Locally heavy rain in Morocco boosted soil moisture for reproductive wheat and barley, with early indications from satellite-derived vegetation health data indicating excellent crop yield prospects.

International Weekly Outlook: International Future and Spot market is expected to trade steady to weak as Russia and Ukraine are re-entering international market though with lower quantities.

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