

**Domestic Market Updates:**

**Private traders and Millers are aggressively buying** wheat in Punjab and Haryana as mill delivered price is around Rs 1480-1500/Q, but if Wheat is purchased from U.P, basic cost is Rs 1330/Q plus all taxes@ 8%, Gunny bags and Transportation (Extra) total cost comes around Rs 1580-1600/Q on Mill delivered basis, that's why Millers and Private traders are building inventories in Punjab and Haryana.

**Wheat procurement target in M.P are unlikely to be met.** Firstly crop is estimated at 12-13 million tonnes as crop was affected by erratic weather and Secondly as exports are open, traders are buying aggressively and farmers too are holding some crop in anticipation of higher prices. So far 3.7 million tonnes has been procured in M.P and it seems 8-9 million tonnes can be procured in this season.

**According to traders and farmers Wheat production** is likely to dip by 6 to 7 percent this year due to small grain size and lower yield. Farmers from Punjab, Haryana, Rajasthan, Uttar Pradesh, and Madhya Pradesh have reported lower yield varying from 5 to 8 percent. Abnormally lower temperature in Jan 1st week had adversely impacted the normal growth of the plant and consequently lower grain size. Traders are expecting 88 to 90 million T productions this year against 94.8 million T last year.

**Lower production is likely to affect procurement target of 40 million T** this year as per trader's point of view. They say that government will not be able to procure more than 30-32 million Tonnes of wheat as private players are active and farmers are releasing (20-30 percent) lower stocks in anticipation of bonus and higher prices June onward.

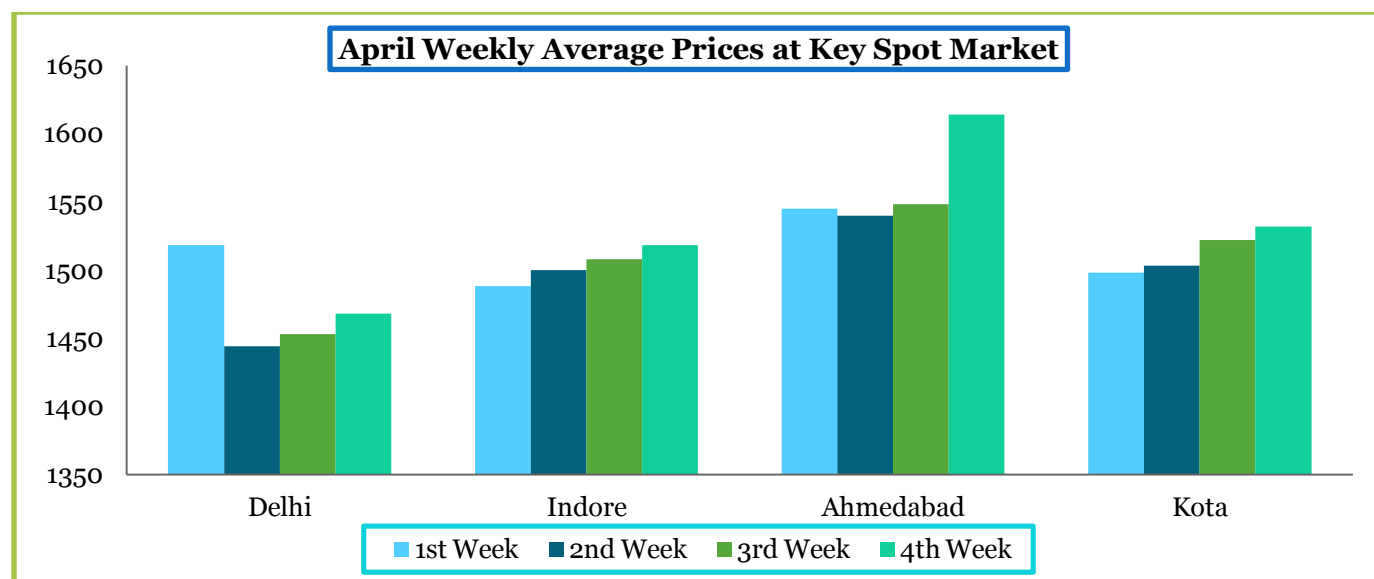
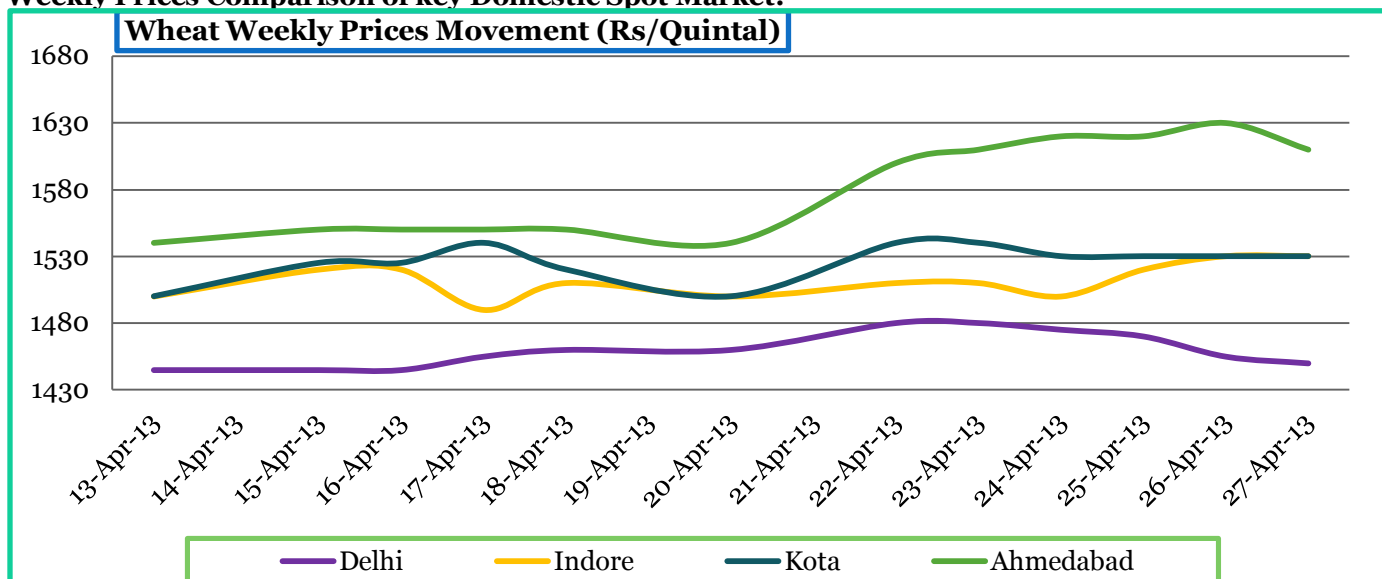
**With lower quotes (\$260 to \$270 per T) in Black Sea Region, Indian** wheat would lose its competitiveness and export is likely to stop May onward. Besides, government's strategy to sell with reserve price (considered higher against black sea region likely price in May June) from its stock will discourage exporters.

**Small traders generally sell wheat to exporters/stockiest sourced from FCI/state agencies** at higher prices and this ongoing trend is unlikely to sort out government's intention to curb prices when sale continues through tender. As per traders view quantity should be abolished for every category and wheat should be sold through tender with fixed bench mark price without any quantitative restriction. It would stabilize prices in the market.

**Weather Watch:**

- Cumulative rainfall from 1<sup>st</sup> March to 24<sup>th</sup> March 2013 was excess/normal in 24, deficient/scanty in 21 and no rain in 1 out of 36 meteorological sub-divisions. (All India Actual: 39.1 mm, Normal: 59.3 mm and Departure: -34%).
- Forecast for next week is rain/thundershowers would occur at one or two places over Madhya Pradesh, Chhattisgarh, Jharkhand, Odisha and Coastal Andhra.

• **Weekly Prices Comparison of key Domestic Spot Market:**



Prices remained firm during the week as aggressive purchases were made by millers and exporters and farmers are holding crop in M.P, Rajasthan and Haryana as they expect bonus over MSP. Prices are expected to remain steady to slightly up.

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
<b>TOTAL</b>	<b>589.87</b>	<b>6.88</b>	<b>596.75</b>
COARSE GRAINS	0.83	0.00	0.83
SUGAR	0.26	0.05	0.31
<b>GRAND TOTAL</b>	<b>590.95</b>	<b>6.93</b>	<b>597.88</b>

(Figures in Lakh Tonnes)

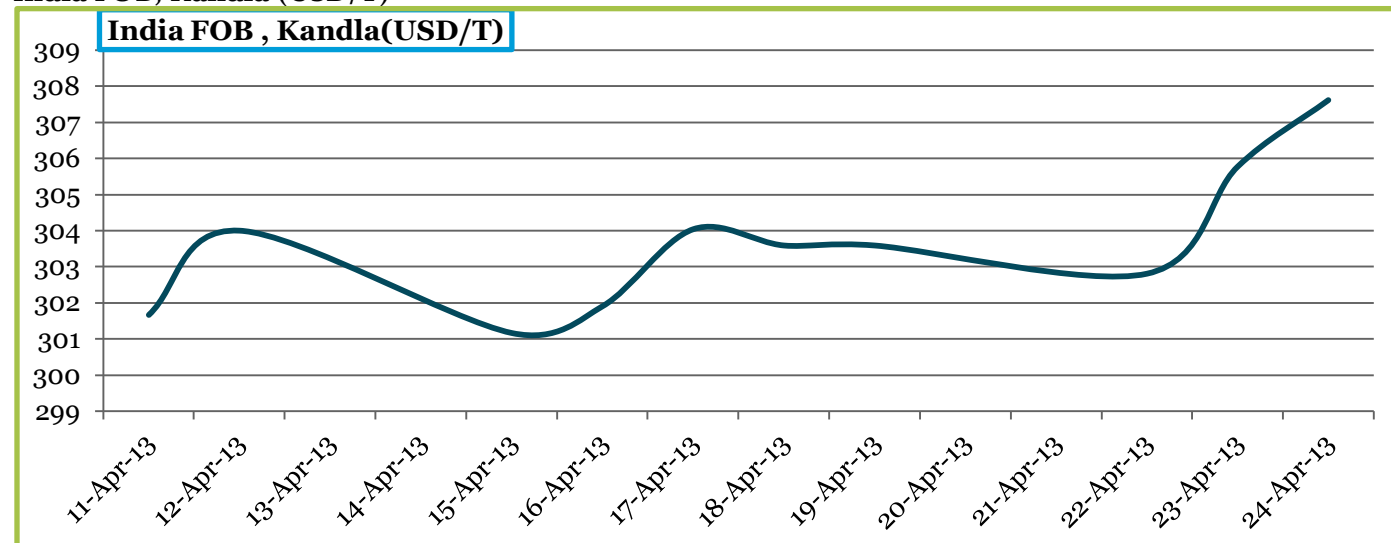
FOB Value as on 27.04.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15500	14900	13650	15000	13900	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)	16500	16550	16050	16950	15950	15200	19100
<b>Indian FOB (USD/MT)</b>	<b>303.92</b>	<b>304.84</b>	<b>295.63</b>	<b>312.21</b>	<b>293.79</b>	<b>279.98</b>	<b>351.81</b>
Insurance @ 0.1%	0.30	0.30	0.30	0.31	0.29	0.28	0.35
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
<b>CIF (Kandla to Chittagong)</b>	<b>322</b>	<b>323</b>	<b>314</b>	<b>330</b>	<b>312</b>	<b>298</b>	<b>370</b>
INR	54.29	54.29	54.29	54.29	54.29	54.29	54.29
Russian Wheat FOB (USD/MT)	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>
Parity on FOB Basis (USD/MT)	<b>-34</b>	<b>-35</b>	<b>-26</b>	<b>-42</b>	<b>-24</b>	<b>-10</b>	<b>-82</b>

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

	27 Apr, 2013	Week ago 20 Mar 13	Month ago 2 Mar 13	Year ago 27 Apr 2012	Change over previous Year %
<b>Bareilly</b>	1455	1500	1460	1195	<b>21.76</b>
<b>Delhi</b>	-	1480	-	1205	-
<b>Indore</b>	1535	1460	1582	1248	<b>23.00</b>
<b>Khanna</b>	1450	1535	1671	1463.45	<b>-0.92</b>
<b>Kota</b>	1385	1425	-	1140	<b>21.49</b>
<b>Kanpur</b>	1549	1386	1500	1463.45	<b>5.85</b>
<b>Karnal</b>	-	1548	-	1240	-
<b>Rajkot</b>	-	1533	-	1233	-

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	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
<b>Total for 2012-13</b>	<b>56.98</b>		

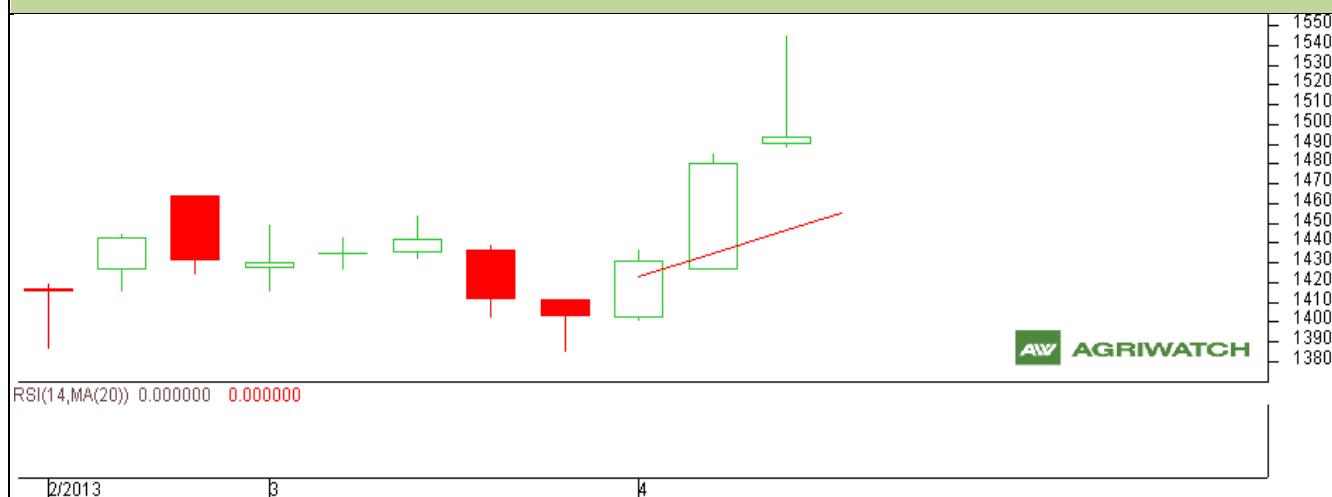
**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			27.04.2013	20.04.2013	
Delhi	Lawrence Road	Mill Quality	1450	1460	-10
	Nazafgarh	Mill Delivery Loose	1425	1430	-5
	Narella	Mill Delivery Loose	1435	1430	5
Gujarat	Rajkot	Mill Delivery	1570	1540	30
	Ahmadabad	Mill Delivery	1610	1600	10
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1700	1600	100
	Indore	Mill Delivery	1530	1500	30
Rajasthan	Kota	Mill Quality	1440	1435	5
U.P.	Kanpur	Mill Delivery	1325	1375	-50
Punjab	Khanna	Mill Quality Loose	1350	1355	-5
Haryana	Sirsa	Mill Delivery loose	1350	1350	Unch

Commodity: Wheat  
Contract: June

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

### Wheat (Weekly Chart)



### Technical Commentary:

- Market is moving upward and candlestick chart depicts bullishness.
- Rise in OI, Volume and price hints towards Long Buildup.
- Prices closed above 9 and 18 days EMA.

### Strategy: Buy from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	June	1478	1485	1494	1520	1535
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	June	<b>Sell</b>	Below 1505	1495	1488	1512

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

**Domestic Weekly Outlook:** Key Spot market might trade steady to slightly firm on aggressive purchase from millers, exporters and stockiest.

### International Market Updates:

**IGC has forecasted the world wheat ending stocks** for 2013-14 at 181 million tonnes, which is 2 million tonnes more than 2012-13 due to lower feed wheat use. World wheat production is estimated at 680 million tonnes for 2013-14 which is higher than 2012-13 655 million tonnes since better yield and increased sown area is expected in Black sea region and European Union.

**World wheat trade is forecasted at 135 million tonnes** by IGC which is 3 million tonnes lower year on year basis and global wheat consumption is expected to rise by 4 million tonnes year on year basis to 678 million tonnes.

**Wheat sowing area in Canada can reach around 26.61 million acres** this year as compares to 23.70 million acres last year. Sowing is expected to be delayed as plethora of snow is on fields.

**China is buying wheat from international market especially US origin wheat** to refill its depleted stock. Sinograin had recently bought 1 million tonne US soft wheat.

**According to Bureau of Metrology, Southern Australia** wheat growing belt will receive less than normal rainfall; however Western Australia and New South Wales region are expecting good rainfall. Overall condition remains favorable as of now and Wheat Production is expected around 25 million tonnes.

**Ukraine government has lifted wheat export ban** as per the reports from Ukrainian Agrarian Confederation however additional exports will volumes are limited to 200,000 MT. At now wheat exports seems not so feasible till new crop since domestic prices are ruling higher than export price.

**A Flour Mill in Oman has bought around 35,000 MT of Milling Wheat** possibly Russian origin, with 12.5% protein at USD 304/T, CNF to be shipped between 15 July and 15 August.

**Tunisia has bought 50,000 MT of soft wheat in two tenders** of 25,000 MT each. First purchase was made at USD 325/T CNF, for shipment from 10-20 June and Second purchase was made at USD 330/T, CNF to be shipped between 1-10 June.

**According to Egypt's Agriculture Minister** Salah Abdel Momen, Egypt's wheat crop is estimated around 10 million tonnes as harvesting has started. However USDA sees Egypt wheat crop at 8.7 million tonnes which is 2.3% increase from previous year estimate.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12 est.	2012-13 forecast	Projection for 2013-14	
						21.03.2013	25.04.2013
<b>Production</b>	685	679	653	696	655	683	680
<b>Trade</b>	137	128	126	145	138	138	135
<b>Consumption</b>	645	652	659	692	674	678	678
<b>Carryover stocks</b>	173	199	193	197	179	182	181
<b>Y-O-Y change</b>	41	27	-6	4	-18		2
<b>Major Exporters</b>	69	79	74	71	52	58	58

## Indicative FOB Quotes:

	Variety	% Change over Prev. Year	24.04.13	Week Ago 17.04.13	Month Ago (March)	3 Months Ago (Jan)	Year Ago (Apr)
USA (Gulf)	SRW 2	11.23	288.20	287.00	292.40	312.50	259.10
France	FCW3	09.07	316.30	325.90	325.40	328.10	290.00
United Kingdom	Feed wheat	04.01	295.70	303.60	301.25	335.30	284.30
Australia	CWRS	23.32	304.26	299.13	279.69	316.36	246.73
Russia	SRW	02.23	275.00	268.00	272.00	335.00	269.00
Ukraine	SRW	01.87	272.50	265.00	270.00	332.50	267.50
Argentina	SRW	26.02	310.00	315.00	312.50	360.00	246.00

Global wheat market is expected to trade between USD 290-325/T as market is consolidating. Prices are expected to be range bound.

## CBOT FUTURES CONTRACT:

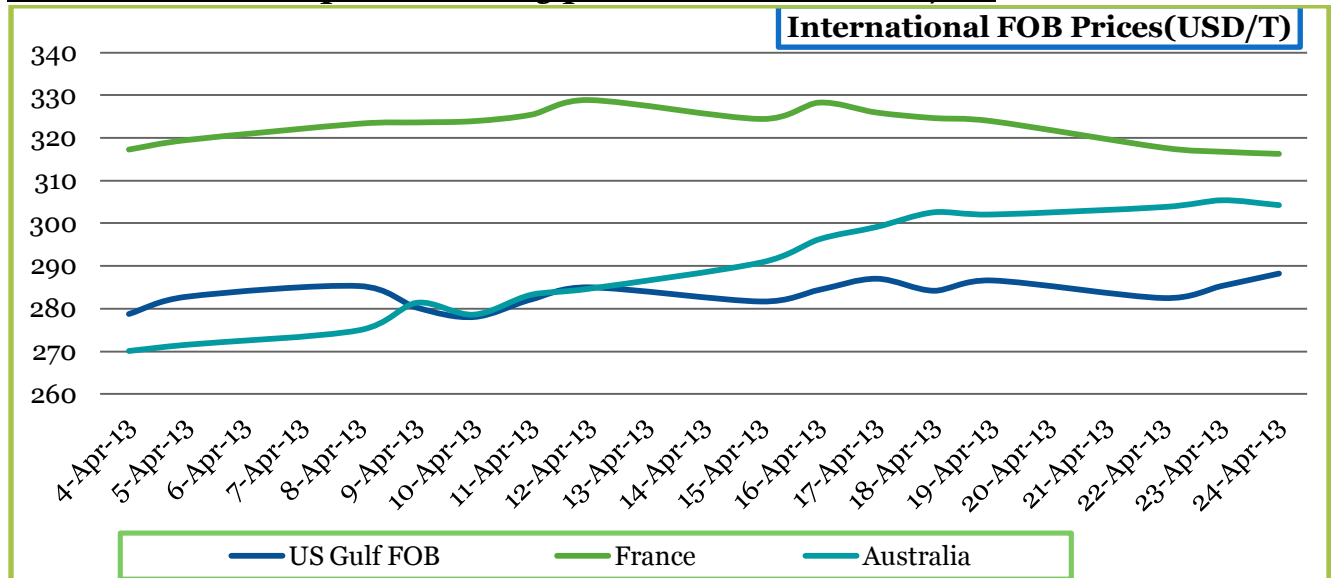
CONTRACT MONTH	26 Apr 2013	Week ago (19 Apr 2013)	1 Month ago (26 Mar 13)	3 Month ago (28 Jan 13)	6 Month ago (26 Oct 12)	1 Year ago (26 Apr 12)	% Change over previous year
May-13	253.05	260.49	268.75	289.51	325.15	256.35	-1.29
July-13	254.42	261.41	269.03	291.16	317.71	257.00	-1.00
Sept-13	257.55	263.79	271.42	294.29	320.92	260.49	-1.13
Dec-13	262.97	268.75	275.64	299.16	323.50	266.73	-1.41
Mar-14	267.83	273.53	279.96	303.56	325.52	268.29	-0.17
May-14	269.76	275.09	280.23	303.93	315.41	270.68	-0.34

## CBOT May 13 Weekly Future Chart:





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



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

**Argentina-** Warm, dry weather dominated the region, hastening development of summer grains, oilseeds, and cotton and supporting harvesting. Weekly temperatures averaged 1 to 4°C above normal in most agricultural districts, with the warmest weather relative to normal occurring in agricultural areas lying more to the south and west.

**Russia and Ukraine** – Warmer weather overspread northern crop areas, while dry, mild conditions prevailed in southern portions of Russia and Ukraine. Near normal temperatures promoted winter grain development and encouraged spring grain planting and emergence.

**Australia-** Warm weather in Queensland is favoring wheat planting. In wheat belt Victoria and New South Wales dry and hot weather prevailed. Scattered rainfall was witnessed in Western Australia a major wheat producing state.

**North West Africa-** Sunny skies and above-normal temperatures accelerated winter grain growth across the region. Crop prospects remained excellent in Morocco due to consistent and timely rainfall. Elsewhere, increasingly warm weather (up to 7°C above normal) accelerated winter grains through the reproductive stages of development in Algeria and Tunisia.

**USA-** Recent rainfall benefited portions of the Hard Red Winter wheat region; however, recent freezes in northern Texas negatively impacted the portion of the crop that was in the boot and early heading stages.

**International Weekly Outlook:** International Future and Spot market is expected to trade range bound in week ahead.

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