

Domestic Market Updates:

As per reports, Lokwan wheat rake has been loaded form Bhopal to Hyderabad at Rs 1920/Q, milling wheat is being traded at Rs 1450-1530/Q in Bhopal. According to traders, private exporters are purchases low quantity of premium wheat in Madhya Pradesh to stock and later on sell by mixing with previous year crop.

In Haryana government is purchasing at MSP, Rs 1350/Q and Millers and Traders are also buying to stock as they are uncertain about prices in near future. Farmers are still holding crop as they are waiting for bonus over MSP.

21.64 million tonnes wheat has been procured as on 03rd May, as compared to 22.85 million tones same time last year. Government is lagging behind in Haryana, Rajasthan and U.P as traders are active and farmers are holding crop. Overall procurement is expected to fall to around 33 million tonnes as compared to last year's 38.1 million tonnes.

As on 1st May 2013, government agencies hold 427.30 Lakh tonnes of wheat stock, which is higher than last year at the same time. 369.83 lakh tonnes is with various government agencies, 2.65 lakh tonnes is in transit and 52.82 lakh tonnes is lying in Mandis.

According to traders, exporters are purchasing wheat for exports at Rs 1600/Q FOR, Kandla but in lower quantity. Gujarat Traders are purchasing wheat from M.P and Rajasthan.

With lower yields from Punjab, Haryana and Eastern U.P, wheat procurement for central pool stock is likely to fall around 33 million tonnes from 38.1 million tonnes last year.

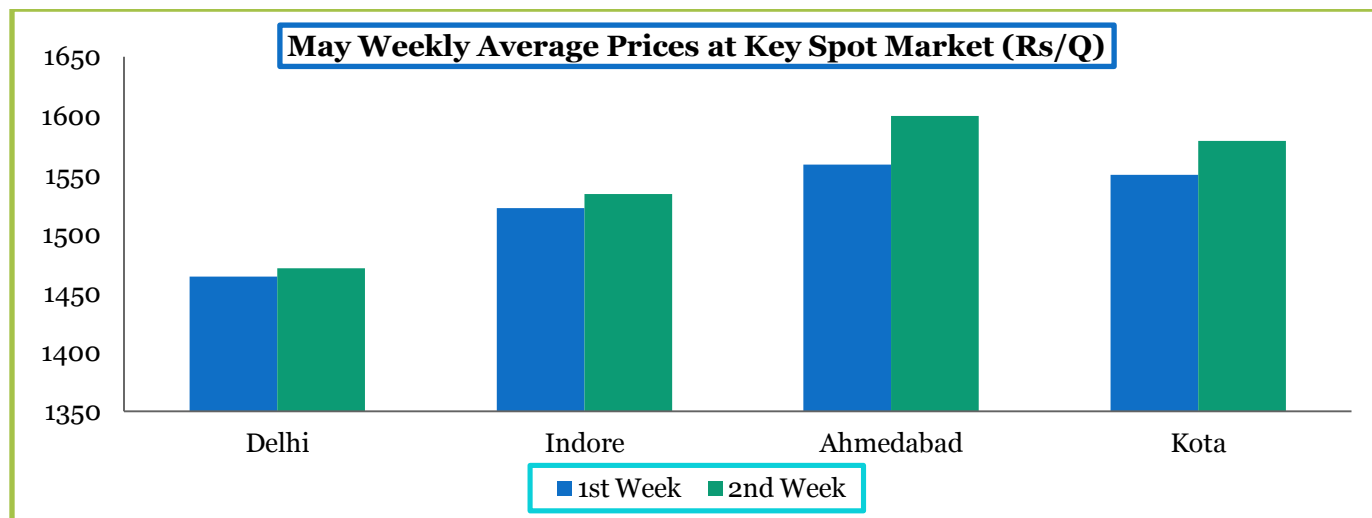
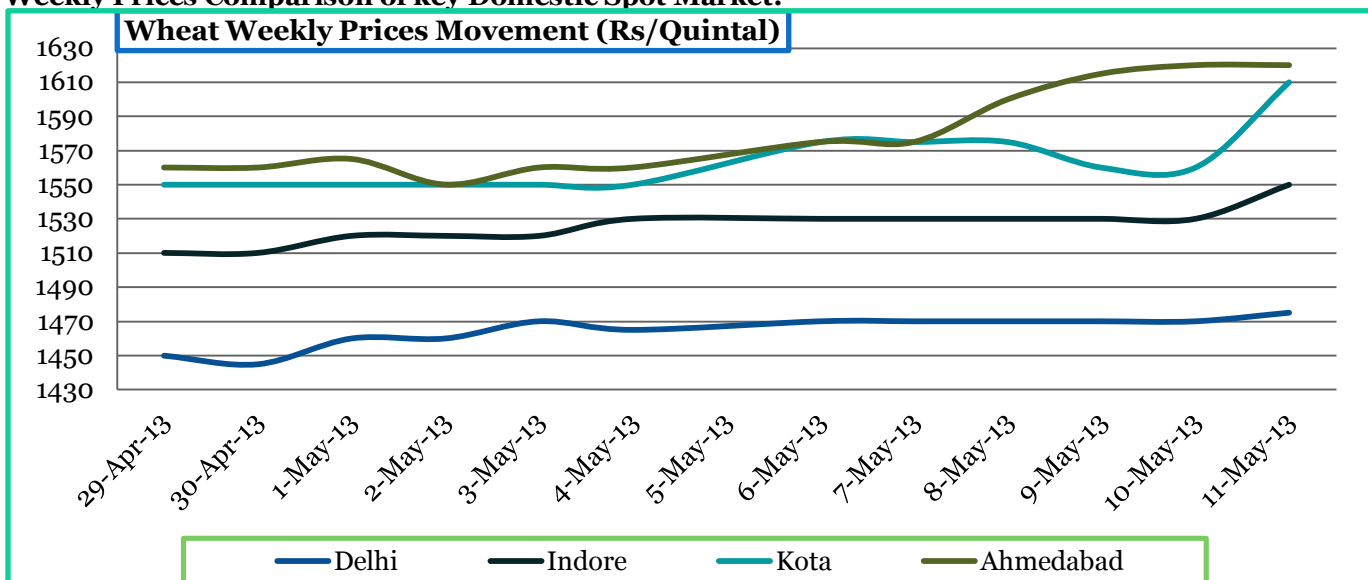
Government's 3rd Advance estimate has increased wheat production estimate to 93.62 million tonnes from previous estimate of 92.3 million tonnes. However, as per traders and farmers feedback our estimate is 88.2 million tonnes due to severe yield loss in Haryana, Rajasthan, Madhya Pradesh, Punjab and U.P.

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. We expect around 88 million tonnes wheat production this year.

Weather Watch:

- Cumulative rainfall from 1st March to 8th May 2013 was excess/normal in 11 and deficient/scanty in 25 out of 36 meteorological sub-divisions. (All India Actual: 57.2 mm, Normal: 82.2 mm and Departure: -30%).
- Forecast for next week is low pressure area over southwest Bay of Bengal & neighbourhood may concentrate into a depression.
- Weather is expected to be dry in major part of the country.

Weekly Prices Comparison of key Domestic Spot Market:



Prices traded firm during the week due to strong demand from Chakki's and Millers moreover according to market reports traders have slowed the purchase of wheat for exports as they expect to lose competitiveness to Black Sea region. Prices have surged in U.P as south Indian millers are getting parity and exporters too are buying though in lower quantity.

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.05.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	343.36	3.92	347.28
WHEAT	369.83	2.65	372.48
Wheat lying in Mandies	54.82	0.00	54.82
TOTAL	768.01	6.57	774.58
COARSE GRAINS	0.86	0.00	0.86
SUGAR	0.13	0.03	0.16
GRAND TOTAL	768.99	6.60	775.59

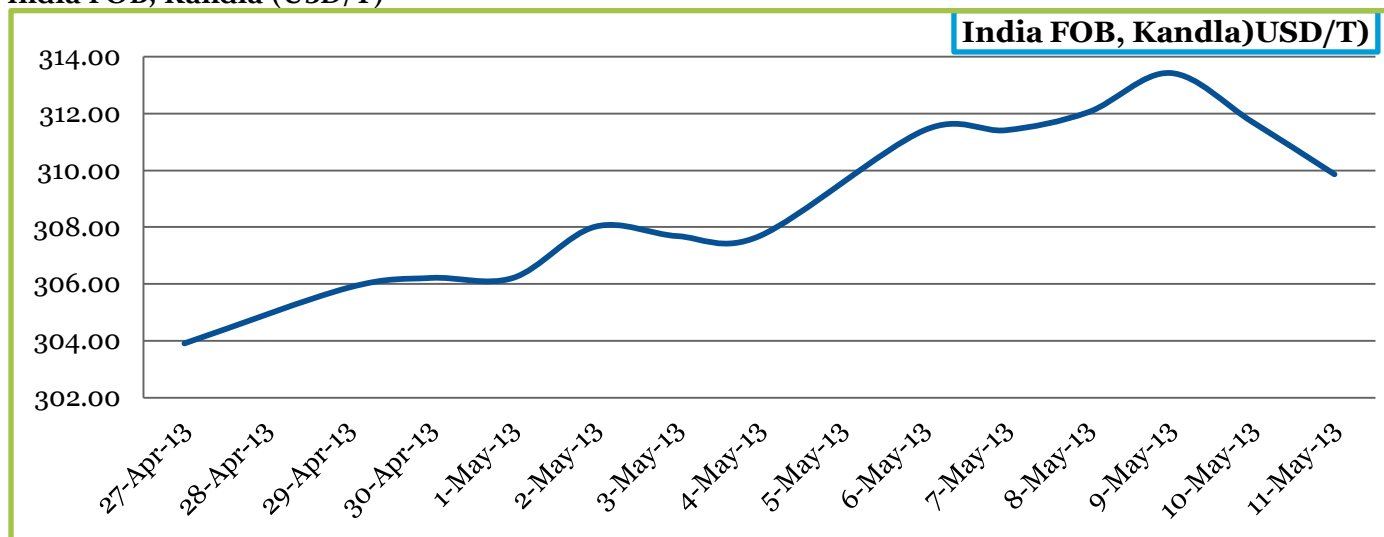
(Figures in Lakh Tonnes)

FOB Value as on 11.05.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15700	15000	13700	15000	13700	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)	16700	16650	16100	16950	15750	15200	19100
Indian FOB (USD/MT)	306.20	305.28	295.20	310.78	288.78	278.69	350.20
Insurance @ 0.1%	0.31	0.31	0.30	0.31	0.29	0.28	0.35
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	324	323	313	329	307	297	368
INR	54.54	54.54	54.54	54.54	54.54	54.54	54.54
Russian Wheat FOB (USD/MT)	270	270	270	270	270	270	270
Parity on FOB Basis (USD/MT)	-36	-35	-25	-41	-19	-9	-80

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

	11 May, 2013	Week ago 4 May 13	Month ago 12 Apr 13	Year ago 11 May 2012	Change over previous Year %
Bareilly	1500	1505	1483	1230	21.95
Delhi	1455	1485	1440	1220	19.26
Indore	1475	1471	1443	1245	18.47
Khanna	1546	1535	1618	1463	5.67
Kota	1440	1440	1415	1160	24.14
Kanpur	1383	1375	1450	1474	-6.17
Karnal	1570	1560	1543	1260	24.60
Rajkot	1598	1540	1506	1223	30.66

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		
Apr-13	6.27	303.06	256.85

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			11.05.2013	04.05.2013	
Delhi	Lawrence Road	Mill Quality	1475	1465	10
	Nazafgarh	Mill Delivery Loose	1450	1450	Unch
	Narella	Mill Delivery Loose	1455	1430	25
Gujarat	Rajkot	Mill Delivery	1620	1560	60
	Ahmadabad	Mill Delivery	1625	1610	15
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1625	1650	-25
	Indore	Mill Delivery	1550	1530	20
Rajasthan	Kota	Mill Quality	1500	1445	55
U.P.	Kanpur	Mill Delivery	1390	1390	Unch
Punjab	Khanna	Mill Quality Loose	1350	1355	-5
Haryana	Sirsa	Mill Delivery loose	1350	1350	Unch

Wheat Progressive Procurement:

State	Total procurement in 2012-13 Season	As on 03.05.2013	
		In Marketing season 2013-14	In Marketing season 2013-13
Punjab	128.34	100.01	97.31
Haryana	86.65	55.54	73.17
U.P	50.63	3.07	8.78
M.P	84.93	50.77	41.15
Rajasthan	19.64	6.93	7.38
All India	381.48	216.44	228.56

Commodity: Wheat

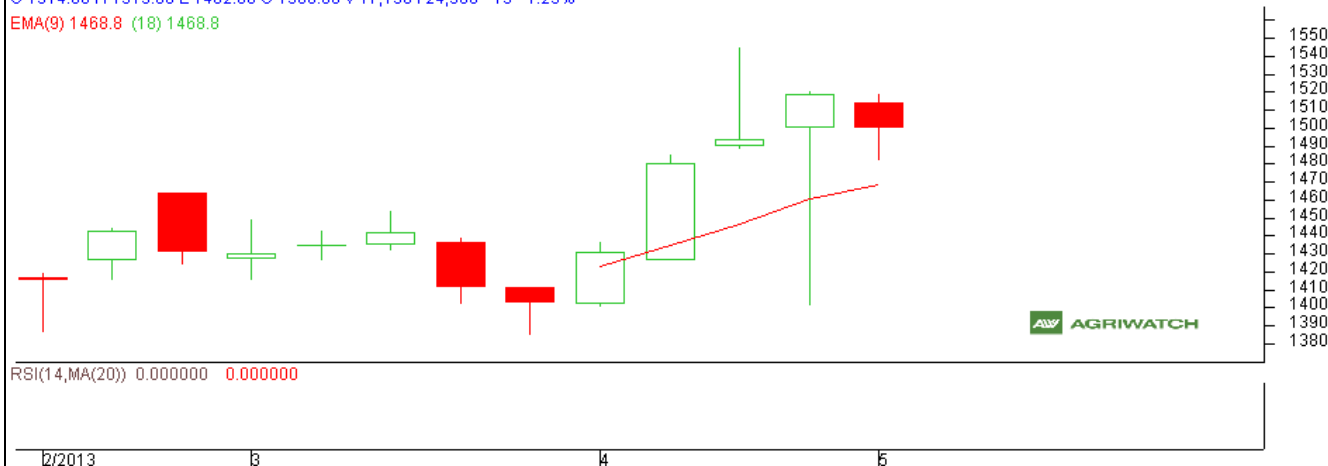
Exchange: NCDEX

Contract: June

Expiry: 20th June, 2012**Wheat (Weekly Chart)**

O 1514.00 H 1519.00 L 1482.00 C 1500.00 V 17,190 | 24,960 -19 -1.25%

EMA(9) 1468.8 (18) 1468.8

**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	1475	1484	1500	1520	1533
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	June	Sell	Below 1508	1494	1490	1512

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

Domestic Weekly Outlook: Key Spot market might trade steady as trader and millers are in wait and watch mode as black sea region crop is expected to hit market soon.

International Market Updates:

According to USDA WASDE report, 2013-14 World wheat production is forecasted at 701.10 million tonnes which 45.5 million tonnes higher than last year's estimate. Wheat production is seen higher in almost all major producing and exporting countries from EU and Black Sea region. However, Indian wheat crop is seen at 92 million tonnes.

USDA WASDE, report sees higher export in 2013-14 at 143.32 million tonnes as increase in exports from India, Black Sea region and Argentina is likely to offset reduction in exports from Australia. World wheat ending stocks are forecasted at 186.4 million tonnes which is 6.2 million tonnes higher than last year.

OAIC, Algerian state grain buying agency has bought 175,000 MT of optional origin Durum wheat for July shipment at USD 370/T, CNF. In another tender OAIC has bought 150,000 MT milling wheat of French origin to be shipped by July at USD 300/T, CNF.

Rains are predicted in major wheat producing states of Australia in week ahead where planting has been delayed due to dry weather condition. If wheat planting is delayed further yield is expected to fall and so is quality of grain.

Western Australia may produce 16% more wheat than last year due to better soil moisture and expected timely rains. Analyst expect Western Australia crop at 8.08 million tonnes in 2013-14 against 6.9 million tonnes last year.

Ukraine wheat production is likely to increase by 43% to 22.6 million tonnes this year as compared to last year 15.76 million tonnes due to dry weather. Output will increase due to favorable weather condition.

Australian eastern grain belt is suffering from dry weather condition and planting has been delayed. Australian wheat prices are firm as farmers are reluctant to sell wheat at current price as they anticipate higher prices. Australia needs significant rains to evade yield loss.

Corn Prices are expected to rise in International Future market as only 12% corn has been planted against 5 year average of 47% during the same period. Demand for Feed Wheat might rise, pushing wheat prices north.

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
Production	685	679	653	696	655	683	680
Trade	137	128	126	145	138	138	135
Consumption	645	652	659	692	674	678	678
Carryover stocks	173	199	193	197	179	182	181
Y-O-Y change	41	27	-6	4	-18		2
Major Exporters	69	79	74	71	52	58	58

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	09.05.13	Week Ago 02.05.13	Month Ago (April)	3 Months Ago (Feb)	Year Ago (May)
USA (Gulf)	SRW 2	21.41	292.60	295.50	283.70	309.80	241.00
France	FCW3	11.10	312.20	322.60	315.10	323.30	281.00
United Kingdom	Feed wheat	05.95	295.60	299.70	294.00	327.00	279.00
Australia	CWRS	19.14	310.96	313.58	NA	297.96	261.00
Russia	SRW	-09.40	270.00	270.00	268.00	275.50	298.00
Ukraine	SRW	04.24	307.50	267.50	265.00	270.00	295.00
Argentina	SRW	14.58	275.00	310.00	315.00	370.00	240.00

Global wheat market is expected to trade between USD 285-325/T as market is consolidating. Prices are expected to be range bound.

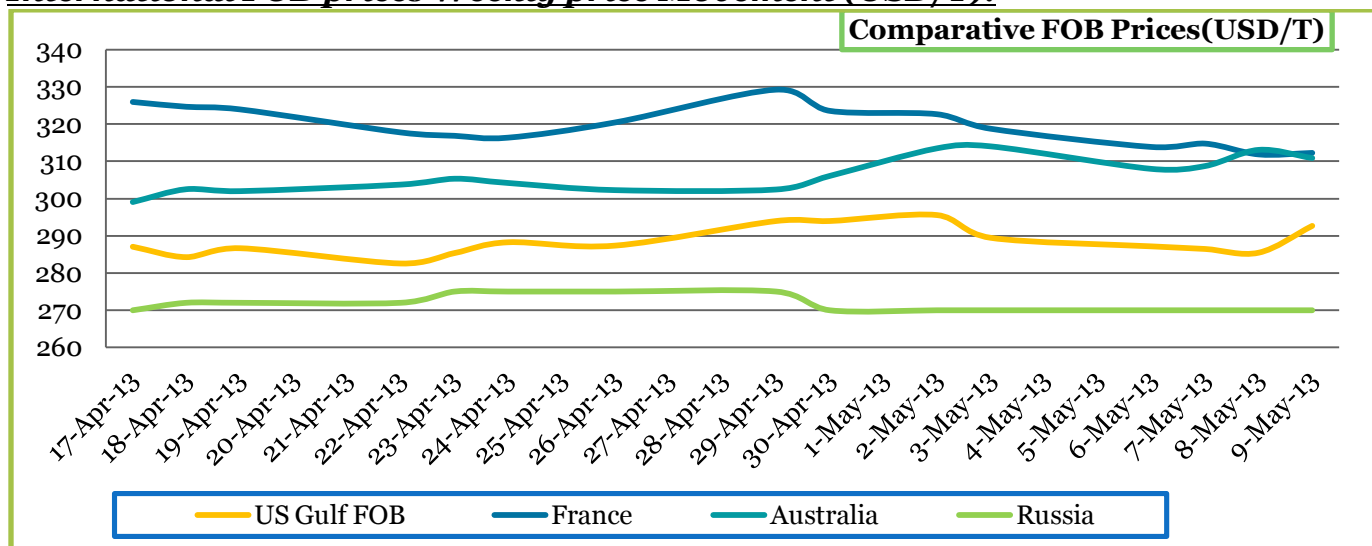
CBOT FUTURES CONTRACT:

CONTRACT MONTH	10 May 2013	Week ago (3 May 2013)	1 Month ago(10 Apr 13)	3 Month ago(11 Feb 13)	6 Month ago(12 Nov 12)	1 Year ago(10 May 12)	% Change over previous year
May-13	255.99	261.31	255.99	275.27	323.04	247.44	3.45
July-13	258.74	264.90	258.28	275.83	316.15	250.11	3.45
Sept-13	261.77	268.39	261.50	278.86	319.36	254.15	3.00
Dec-13	268.20	273.80	266.82	283.54	321.38	260.95	2.78
Mar-14	274.45	278.67	271.97	287.49	322.58	263.98	3.97
May-14	276.65	279.96	274.54	288.32	318.08	265.08	4.37

CBOT July 13 Weekly Future Chart:



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



International Weather update: (Source-USDA)

Canada- Cool weather has slowed down the green up of winter wheat. Fields are covered with snow.

Russia and Ukraine – Sunny skies and above normal temperatures (up to 7°C above normal) prevailed across Ukraine and Russia's Southern District, reducing soil moisture for vegetative to reproductive winter wheat.

Australia- In the wheat belt, widespread showers (5-20 mm) in Western Australia helped condition top soils for winter grain planting and likely helped sowing gain some momentum. Temperatures in the Australia wheat belt averaged near to above normal (up to 2°C above normal), with maximum temperatures in the 20s degrees C in most areas.

Argentina- Rain returned to North East Argentina providing necessary soil moisture for planting of grains and dry condition are persistent in North West.

North West Africa- Cool and dry conditions prevailed in much of the region and heavy rains have bypassed the key wheat growing regions and sunny weather is forecasted ahead which will boost harvesting activities.

USA- Heading of the winter wheat crop advanced to 20 percent, forty-four percentage points behind last year and 19 points behind the 5-year average. Overall, 32 percent of the winter wheat crop was reported in good to excellent condition, down slightly from last week.

International Weekly Outlook: International Future and Spot market is expected to trade steady to weak on USDA report of bumper wheat production in 2013-14.

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