Domestic Market Updates:

South Indian Millers are purchasing wheat from U.P and Bihar, where prices have risen in recent times due to strong demand. It seems likely that South Indian Miller will start getting parity from M.P and Rajasthan if prices continue to rise in U.P and Bihar, according to traders.

During the week, according to trader milling wheat was bought by millers in Bangalore of Bhopal region at Rs 1910-1920/Q, Bangalore delivered. In another purchase millers bought milling wheat from U.P at Rs 1785-1800/Q, Bangalore delivered.

Traders are reporting shriveled and small size grain this year, which will consequently lower production estimate. Milling wheat weight has been reported at 73-74Kg/Hectoliters as compared to last year's 77-78 Kg/Hectoliters. Rajasthan Wheat is being demanded from M.P and Gujarat regions.

As on 15th May 2013, government agencies have procured 24.23 million tonnes wheat as compared to previous year's 29.66 million tonnes. Procurement is lagging behind in all major producing states except M.P as state government has announced bonus over MSP. Analyst and traders are now forecasting government's procurement in this season around 29 million tonnes.

Wheat inflation fell to 13.89% in April from 19.87% in March, which is lowest in last 8 months. WPI has fallen from 206.3 in March to 204.2 in April as new crop arrival dragged wheat towards south.

South Indian Wheat market traded steady to slightly firm on local millers demand. Flour millers in Bangalore sourced wheat from Etta, Kanpur and Mainpuri by truck (load ranging 10,15and 18 tonnes) almost 25 lorry are arriving everyday at the rate of Rs 1780,Rs 1785 and Rs 1785 per qtl respectively delivered at mill.

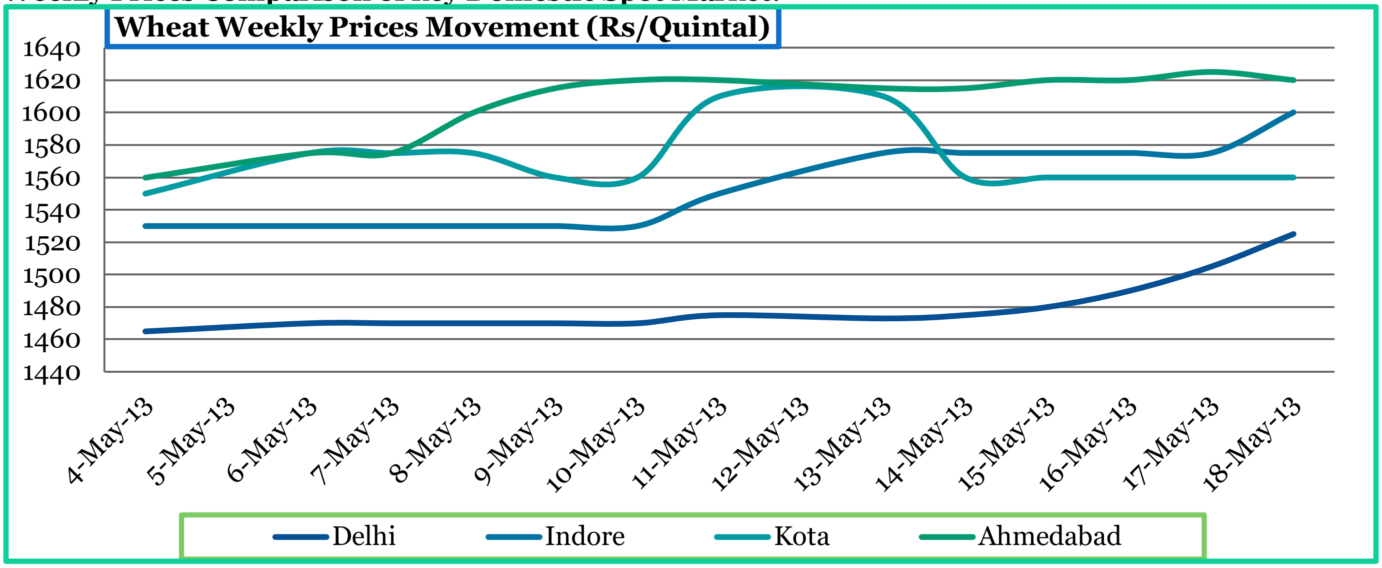
There is not much demand for Rajasthan and M.P wheat as prices are comparatively higher. This year quality of Bihar and U.P's wheat is very good and South Indian millers prefer it at Rs 1780-1790/Q. Truck load from Sasaram, Nevada and Barauni continues for Bangalore at the rate of Rs 1760 to Rs 1770 per qtl.

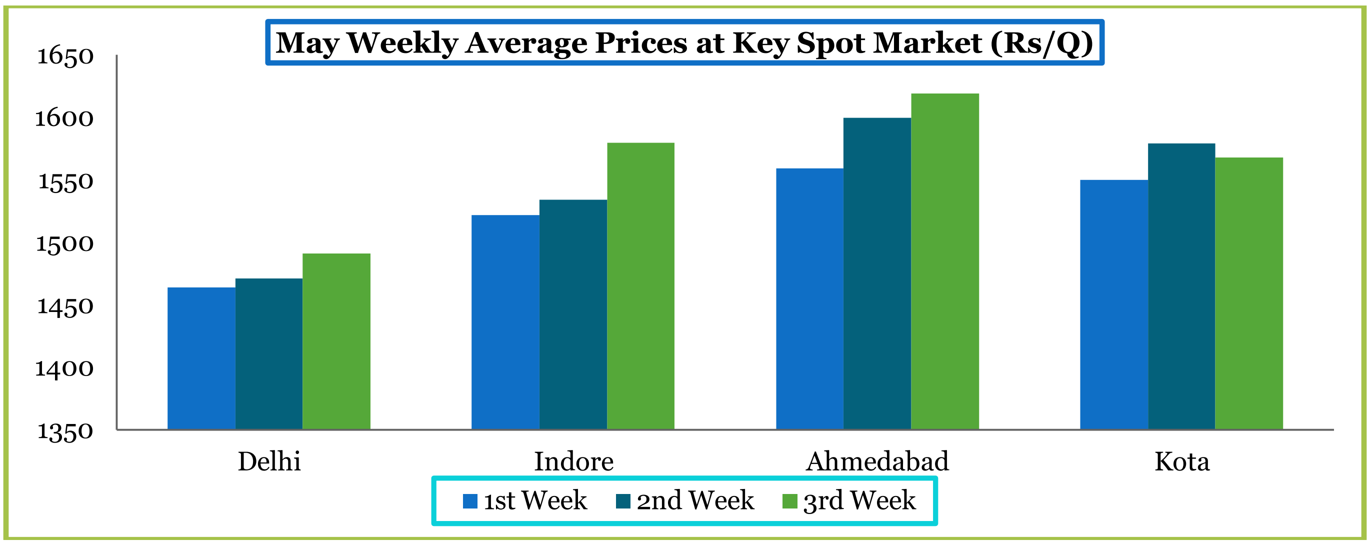
FCI wheat is being offered at Rs 1800 per qtl with a condition of advance draft and with at least seven-eight days delivery time. Against it wheat from Bihar and Uttar Pradesh is being offered at Rs 1760 and Rs 1785 per qtl through private channel with assured quality and 8 to 10 days credit.

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%).
- 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 .Prices have surged in U.P and Bihar as south Indian millers are getting parity. Lower production estimate this year too is weighing on prices.

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**

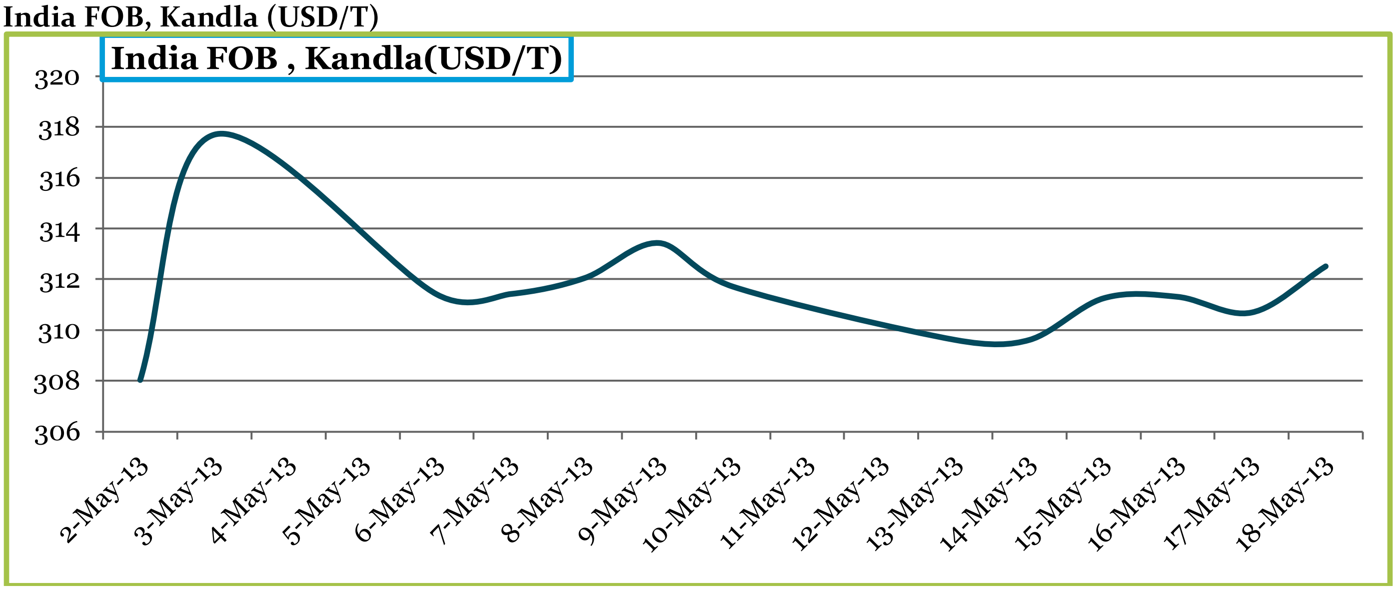
(Figures in Lakh Tonnes)

FOB Value as on 18.05.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15700	15100	13700	15500	14000	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	16750	16100	17450	16050	15200	19100
Indian FOB (USD/MT)	**304.30**	**305.21**	**293.37**	**317.97**	**292.46**	**276.97**	**348.03**
Insurance @ 0.1%	0.30	0.31	0.29	0.32	0.29	0.28	0.35
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	322	323	311	336	310	295	366
INR	54.88	54.88	54.88	54.88	54.88	54.88	54.88
Russian Wheat FOB (USD/MT)	**267.5**	**267.5**	**267.5**	**267.5**	**267.5**	**267.5**	**267.5**
Parity on FOB Basis (USD/MT)	**-37**	**-38**	**-26**	**-50**	**-25**	**-9**	**-81**

Spot Prices of Wheat at NCDEX Delivery Centers(Rs/Q)					
	18 May, 2013	Week ago 11 May 13	Month ago 18 Apr 13	Year ago 18 May 2012	Change over previous Year %
Bareilly	1575	1500	1500	1225	**28.57**
Delhi	1535	1455	1450	1215	**26.34**
Indore	1524	1475	1469	1237	**23.20**
Khanna	1546	1546	1544	1463.45	**05.64**
Kota	1485	1440	1410	1135	**30.84**
Kanpur	1378	1383	1388	1463.45	**-05.84**
Karnal	1580	1570	1545	1259	**25.50**
Rajkot	1623	1598	1533	1217.5	**33.31**

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:

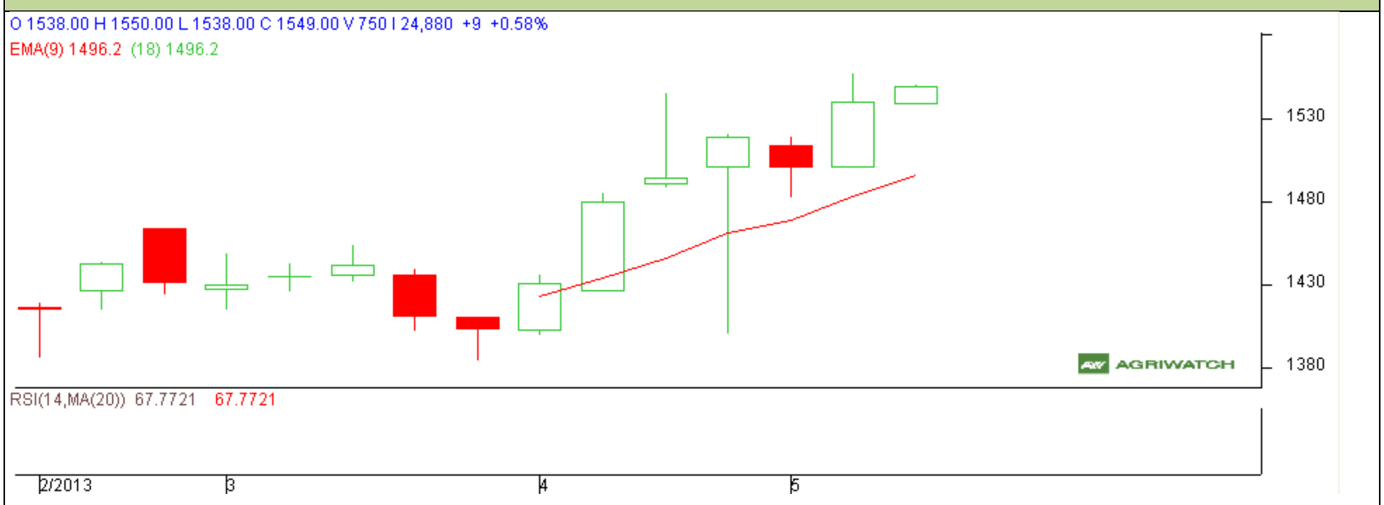
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18.05.2013	**11.05.2013**	
Delhi	**Lawrence Road**	**Mill Quality**	1525	1475	**50**
	Nazafgarh	**Mill Delivery Loose**	1500	1450	**50**
	Narella	**Mill Delivery Loose**	1485	1455	**30**
Gujarat	**Rajkot**	**Mill Delivery**	1620	1620	**Unch**
	Ahmadabad	**Mill Delivery**	1635	1625	**10**
M.P.	**Bhopal**	**Mill Quality Loose (Lokwan Price)**	1700	1625	**75**
	Indore	**Mill Delivery**	1600	1550	**50**
Rajasthan	**Kota**	**Mill Quality**	1515	1500	**15**
U.P.	**Kanpur**	**Mill Delivery**	1415	1390	**25**
Punjab	**Khanna**	**Mill Quality Loose**	1370	1350	**20**
Haryana	**Sirsa**	**Mill Delivery loose**	1365	1350	**15**

Wheat Progressive Procurement:

		As on 15.05.2013	
State	Total procurement in 2012-13 Season	In Marketing season 2013-14	In Marketing season 2013-13
Punjab	128.34	107.82	123.79
Haryana	86.65	58.62	84.43
U.P	50.63	5.85	18.38
M.P	84.93	59.35	56.02
Rajasthan	19.64	10.66	11.72
Others	11.29	0.07	2.32
All India	**381.48**	**242.37**	**296.66**

Commodity: Wheat **Exchange: NCDEX**
Contract: June **Expiry: 20th June, 2012**

Wheat (Weekly Chart)



Technical Commentary:

- Market is moving upward and candlestick chart depicts bullishness.
- Fall in OI and 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	June	1500	1515	1540	1570	1582
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	June	**Buy**	1537-1540	1555	1562	1530

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

Domestic Weekly Outlook: Key Spot market might trade firm in week ahead owing to stong buying and lower wheat production estimate this year.

International Market Updates:

Weather for wheat plantation in Canada, Argentina and Western Australia remains favorable and conducive with sufficient soil moisture. However there are concerns over prevailing dryness in Eastern Australian wheat belt.

CBOT July 13 Contract traded weak on technical selling and on expectation of higher global wheat crop of 710.10 million tonnes. Black Sea region, MENA region and Canada are likely to see higher production and better yield than previous year.

Turkish state grain board, TMO received highest offer of USD 286.56/MT FOB basis, in a tender to export 240,000 tonnes of red milling wheat from Nidera for 12.5% protein wheat. Other offers were at USD 280.90/T, FOB for wheat with 11% protein was and for 10.5% protein was USD 264.27/T.

Indonesia has bought 45,000 MT of Canadian origin spring wheat for July-August Shipment at USD 365/MT, CNF. Australian Prime wheat is being quoted at USD 350/MT, CNF with 10.5% protein for July Shipment to South East Asian Countries. South Korean Feed maker Nonghyup Feed Inc has bought 53,000 MT feed wheat of any origin from Concordia for USD 290/MT, CNF to be delivered by 30 August.

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 is 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.

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:

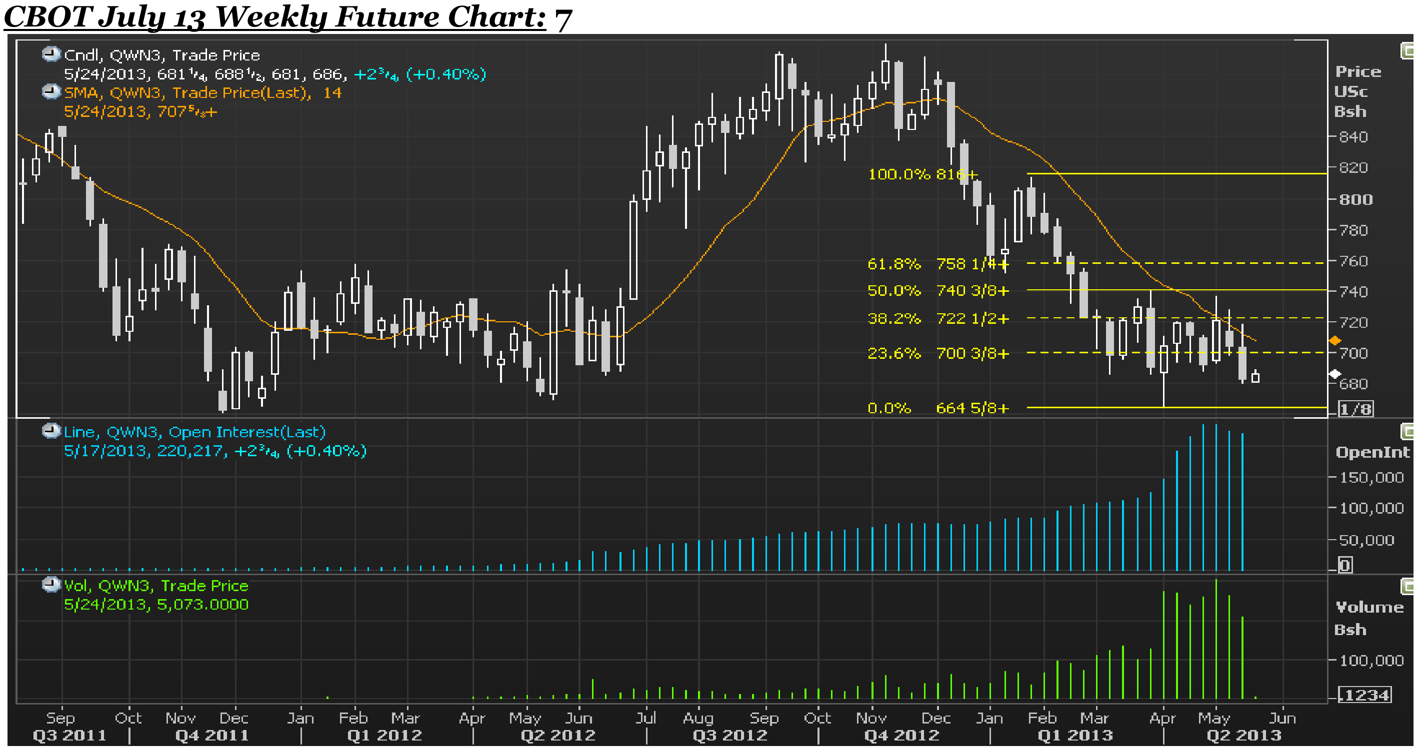
	Variety	% Change over Prev. Year	16.05.13	Week Ago 09.05.13	Month Ago (April)	3 Months Ago (Feb)	Year Ago (May)
USA (Gulf)	SRW 2	6.01	282.40	292.60	287.00	306.90	266.40
France	FCW3	-2.56	266.60	312.20	325.90	329.60	273.60
United Kingdom	Feed wheat	3.06	282.70	295.60	303.60	312.70	274.30
Australia	CWRS	24.26	323.83	311.05	299.13	291.44	260.60
Russia	SRW	-10.23	267.50	270.00	275.00	272.50	298.00
Ukraine	SRW	-	NA	304.75	265.00	270.00	295.00
Argentina	SRW	5.77	275.00	255.00	310.00	370.00	260.00

Global wheat market is expected to trade weak on falling US export sales and higher wheat production at 710.1 million tonnes as per USDA report.

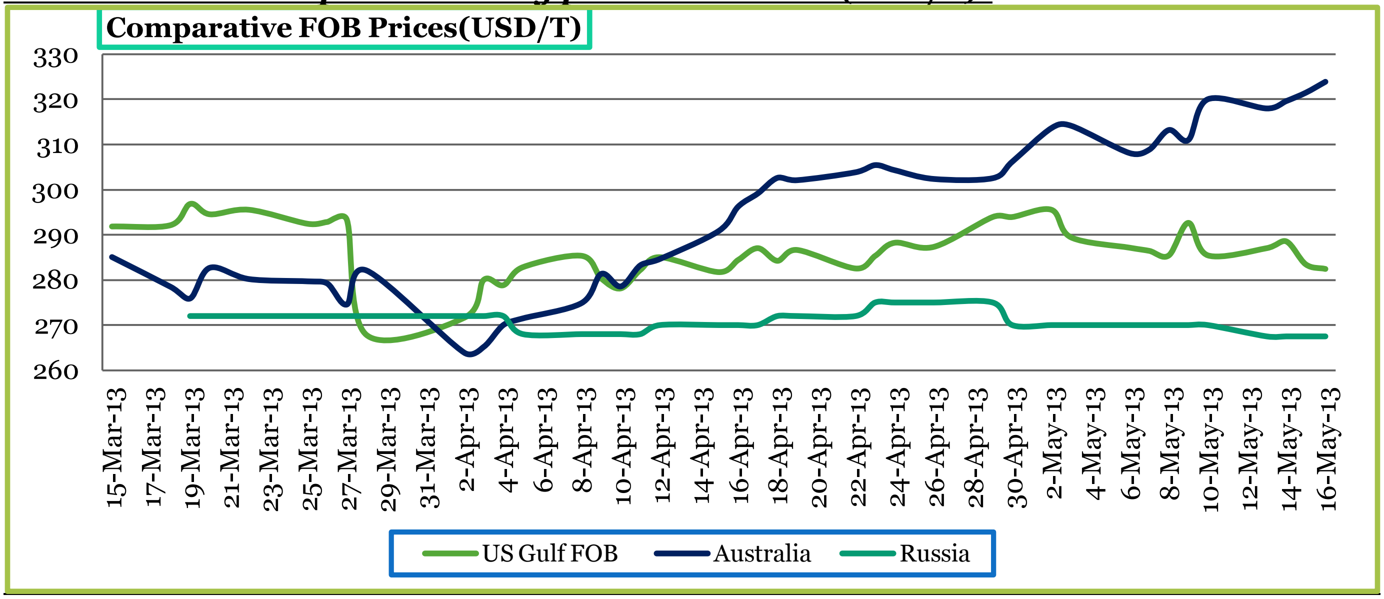
CBOT FUTURES CONTRACT:

CONTRACT MONTH	17 May 2013	Week ago (10 May 2013)	1 Month ago(17 Apr 13)	3 Month ago(19 Feb 13)	6 Month ago(19 Nov 12)	1 Year ago(17 May 12)	% Change over previous year
July-13	251.03	258.74	259.84	272.34	312.75	262.32	-4.31
Sept-13	253.87	261.77	262.23	275.64	315.32	265.35	-4.33
Dec-13	259.94	268.20	267.28	280.42	317.71	271.05	-4.10
Mar-14	266.09	274.45	272.24	284.55	319.18	273.44	-2.69
May-14	268.75	276.65	274.54	285.65	316.15	275.46	-2.43
July-14	269.67	277.66	275.64	283.72	302.55	267.56	0.79

CBOT July 13 Weekly Future Chart: 7



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



International Weather update: (Source-USDA)

Canada- Warm and showery weather prevailed in South Eastern Canada. Light showers provided moisture for wheat.

Russia and Ukraine – Increasingly dry and warm weather in the south contrasted with mild, wet weather in the north. Sunny skies and above normal temperatures prevailed across Ukraine and Russia's Southern District, further reducing soil moisture for vegetative to reproductive winter wheat.

Australia- Mostly dry, very warm weather persisted in southern Queensland and northern New South Wales enabling fieldwork for wheat planting which has slowed across this region because of increasing dryness. Rains (5-35 mm) spread over Western Australia wheat belt, aided winter crop germination.

Argentina- Mostly dry and warm weather prevailed after heavy rains in past week. Some rains were recorded over north east Santa Fe.

North West Africa- Increasingly dry conditions prevailed and the return of sunny skies and near to above normal temperatures favored winter grain dry down and harvesting. In the harvest campaign of 2012-2013 winter grain yield are reported excellent across the entire region.

USA- Heading of the winter wheat crop advanced to 29% by May 12, 44% points behind last year and 22 points behind the 5 year average.

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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