Domestic Market Updates:

During the week STC received highest bid of USD 304.5/T for 60,000 MT wheat from promising International Ltd to be exported from Mundra Port. In another tender STC received highest bid of USD 302/MT for 40,000 MT from Louis Dreyfus to be shipped from Chennai port. PEC issued two tenders of 40,000 MT each and it received the highest bid of USD 305/MT from AL Ghuriar and USD 301/T for another tender to be shipped from east coast.

As on 21st May, 247.77 lakh tonnes of wheat has been procured by government agencies in current procurement season as compared to 319.7 lakh tonnes same time last year, which is 22.5% less than previous year.

According to traders and farmers, wheat procurement has fallen this year has due to holding of crop by farmers as they anticipate rise in price and active buying from traders and millers, moreover Lower expected production of 88.2 million tonnes this year as compared to 94.88 million tonnes last year is another cause for lower procurement. Trader estimates this year's wheat procurement at 252-257 lakh tonnes.

Procurement is lagging behind than last year in all major wheat producing states. In Madhya Pradesh where government has announced bonus of Rs 150/Q over MSP has procured around 7% less wheat than last year as Traders from Maharashtra and Gujarat are buying M.P wheat at Rs 1800-1900/Q delivered due to lower production.

In Rajasthan, M.P and Gujarat farmers wheat sale to government is almost over as traders are buying wheat at Rs 1500-1600/Q. Exports purchase are low, that to honor previous contracts. Local wheat supply is almost dry in Gujarat due to lower production this year and Tukri wheat is reaching Gujarat at Rs 1600-1800/Q from Rajasthan and Lok-1 is reaching Gujarat from M.P at Rs 1750-1850/Q.

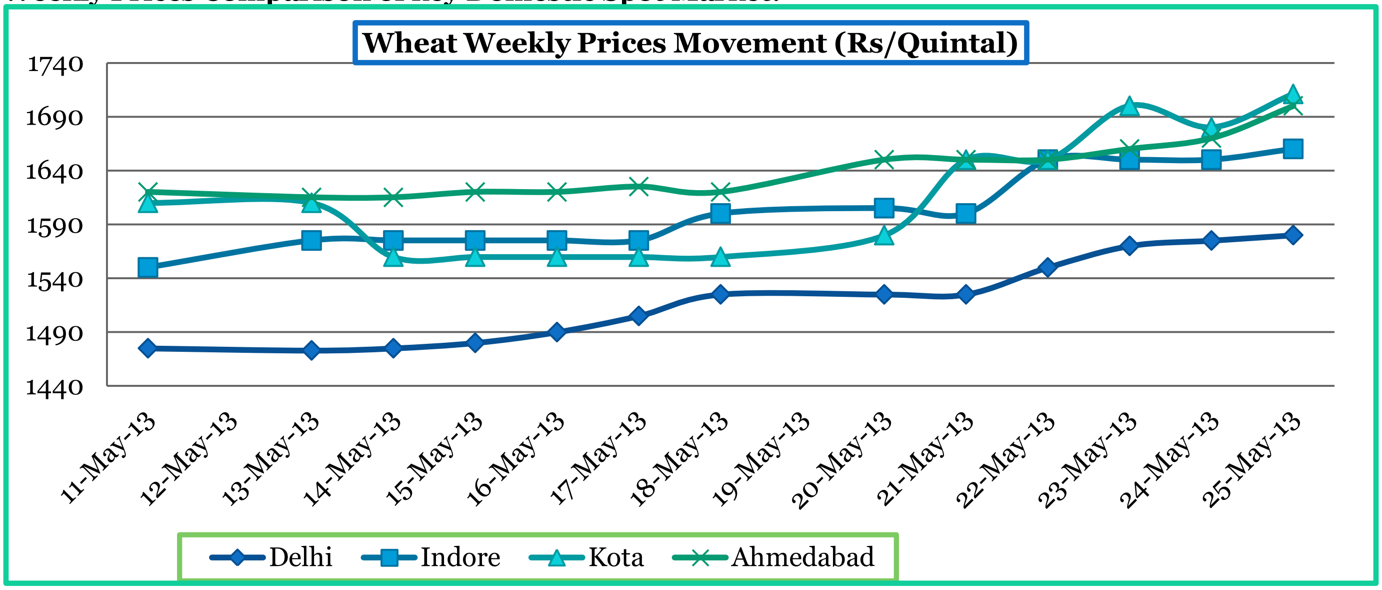
Domestic wheat market is trading firm due demand from millers and traders. Arrivals has been declining as farmers are expecting better prices and lower production estimate of around 88.2 million tonnes as compared to previous year's 94.88 million tonnes.

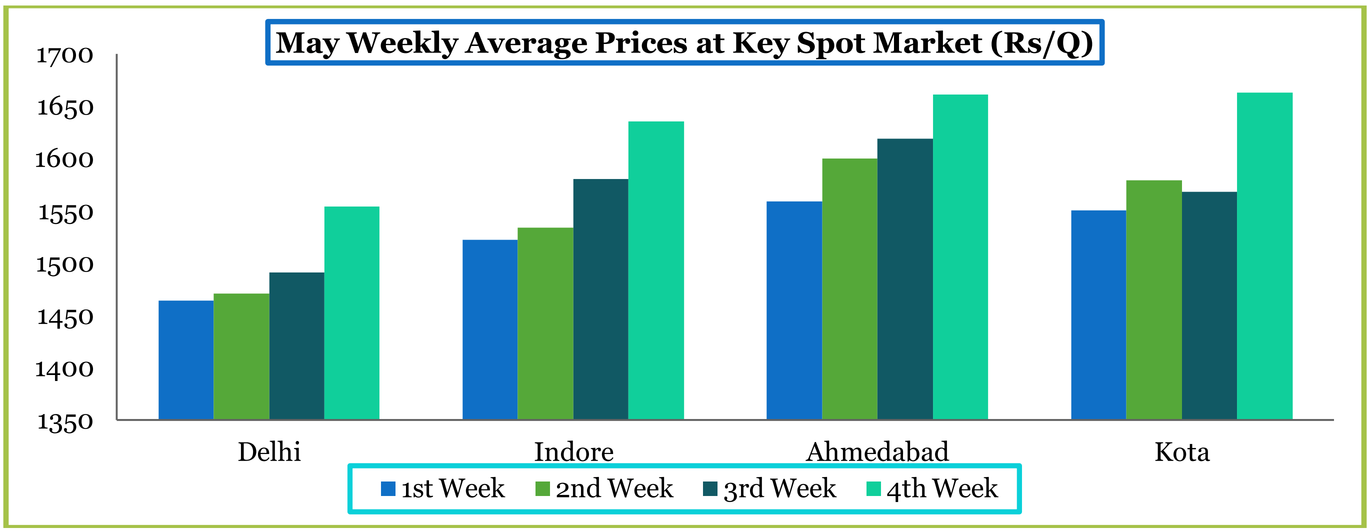
Traders are reporting shriveled and small size grain this year, which will consequently lower production estimate. Milling wheat weight has been reported at 73-74Kg/Hectoliters as compared to last year's 77-78 Kg/Hectoliters. Rajasthan Wheat is being demanded from M.P and Gujarat regions.

Weather Watch:

- Cumulative rainfall from 1st March to 22nd May 2013 was excess/normal in 12 and deficient/scanty in 24 out of 36 meteorological sub-divisions. (**All India Actual: 78.2 mm, Normal: 110.7 mm and Departure: -29%).**
- Southwest monsoon set in over some parts of south Bay of Bengal and Andaman Sea on 17th May. It further advanced over some parts of southwest Bay of Bengal, some more parts of southeast & east central Bay of Bengal and entire Andaman Sea on 20th May.

Weekly Prices Comparison of key Domestic Spot Market:





Prices traded firm during the week due to strong demand from Chakki's and Millers. Farmers are holding more marketable surplus this year, around 32-35% as compared to last year's 25% which has resulted in price surge. Prices are expected to rise and consolidate for a couple of weeks more.

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)

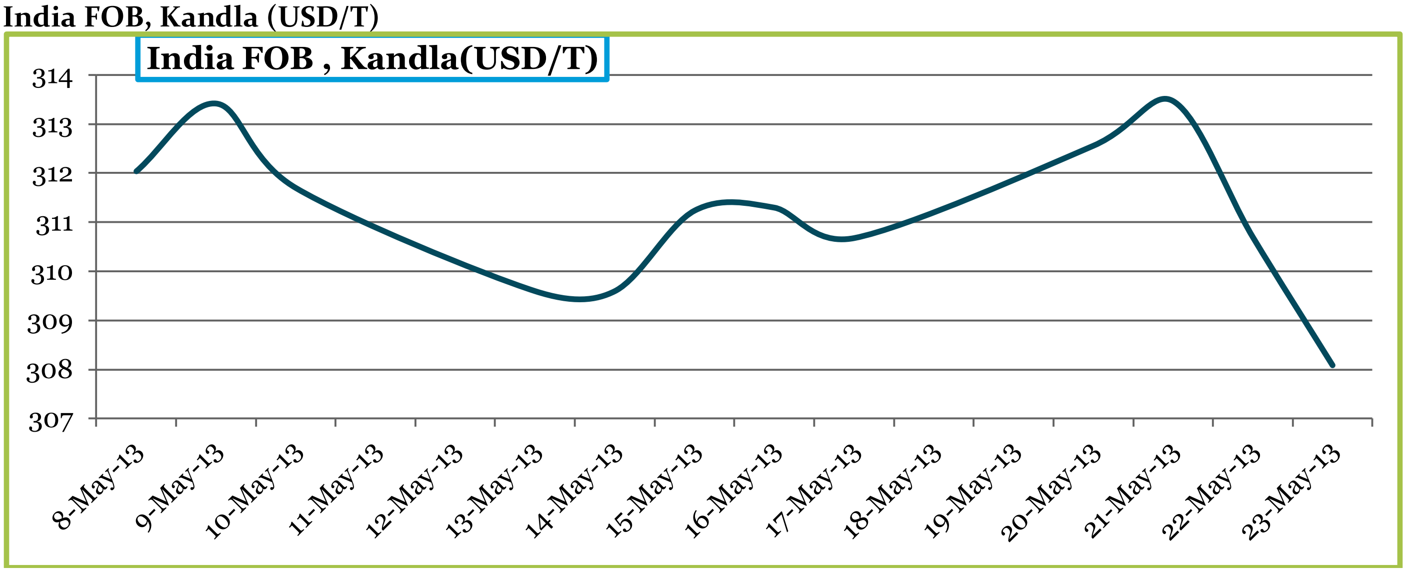
FOB Value as on 25.05.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15750	15700	13700	16250	15000	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)	16750	17350	16100	18200	17050	15200	19100
Indian FOB (USD/MT)	**301.26**	**312.05**	**289.57**	**327.34**	**306.65**	**273.38**	**343.53**
Insurance @ 0.1%	0.30	0.31	0.29	0.33	0.31	0.27	0.34
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	319	330	308	345	325	291	362
INR	55.6	55.6	55.6	55.6	55.6	55.6	55.6
Russian Wheat FOB (USD/MT)	**270**	**270**	**270**	**270**	**270**	**270**	**270**
Parity on FOB Basis (USD/MT)	**-31**	**-42**	**-20**	**-57**	**-37**	**-3**	**-74**

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

	24 May, 2013	Week ago 17 May 13	Month ago 23 Apr 13	Year ago 24 May 2012	Change over previous Year %
Bareilly	1610	1575	1500	1227.5	**31.16**
Delhi	1580	1490	1455	1200	**31.67**
Indore	1578	1520	1482	1238.35	**27.43**
Khanna	1557	1546	1535	1463.45	**06.39**
Kota	1548	1470	1420	1125	**37.60**
Kanpur	1460	1380	1388	1463.45	**-0.24**
Karnal	1605	1580	1553	1267	**26.68**
Rajkot	1700	1615	1539	1250	**36.00**

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
			25.05.2013	**18.05.2013**	
Delhi	**Lawrence Road**	**Mill Quality**	1580	1525	**55**
	Nazafgarh	**Mill Delivery Loose**	1550	1500	**50**
	Narella	**Mill Delivery Loose**	1560	1485	**75**
Gujarat	**Rajkot**	**Mill Delivery**	1700	1620	**80**
	Ahmadabad	**Mill Delivery**	1730	1635	**95**
M.P.	**Bhopal**	**Mill Quality Loose (Lokwan Price)**	1725	1700	**25**
	Indore	**Mill Delivery**	1660	1600	**60**
Rajasthan	**Kota**	**Mill Quality**	1600	1515	**85**
U.P.	**Kanpur**	**Mill Delivery**	1500	1415	**85**
Punjab	**Khanna**	**Mill Quality Loose**	1360	1370	**-10**
Haryana	**Sirsa**	**Mill Delivery loose**	1450	1365	**85**

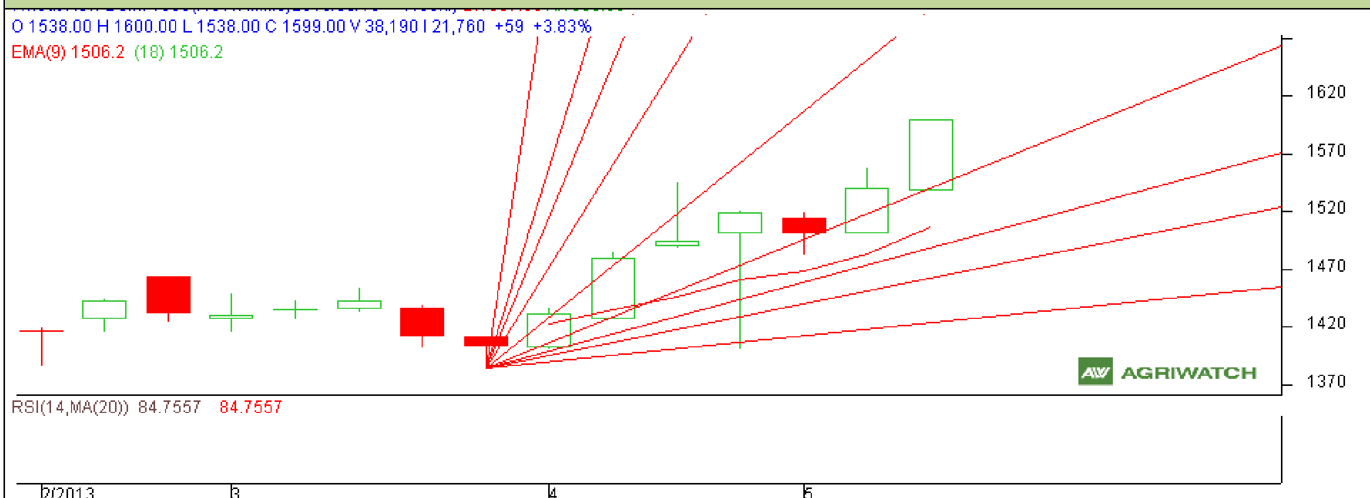
Wheat Progressive Procurement:

All Figures in Lakh Tonnes		As on 21.05.2013	
State	Total procurement in 2012-13 Season	In Marketing season 2013-14	In Marketing season 2013-13
Punjab	128.34	108.47	126.63
Haryana	86.65	58.69	85.77
U.P	50.63	6.61	24.48
M.P	84.93	62.07	66.69
Rajasthan	19.64	11.8	13.3
Others	11.29	0.13	2.83
All India	**381.48**	**247.77**	**319.7**

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.
- Prices might fall on profit booking and RSI is in overbought zone.

Strategy: Sell from entry level

Intraday Supports & Resistances			**S2**	**S1**	**PCP**	**R1**	**R2**
Wheat	NCDEX	June	1557	1565	1599	1618	1625
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	June	**Sell**	1602-1600	1580	1570	1610

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

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

International Market Updates:

Spring wheat sowing has been lagging behind in Russia due to severe cold. For the current spring wheat sowing season so far 42% of the area or 5.4 million hectares has been sown and which is 2.2 million hectares less than last year at the same time.

Algeria state buying agency OAIC, has bought 400,000 MT milling wheat of optional origin for USD 284-285/T, CNF for August delivery.

Egypt government has procured 2.7 million tonnes so far from farmers. Egypt government expects this year production around 9-9.5 million tonnes and government target is to purchase around 5 million tonnes of wheat from domestic production.

In 2012-13 Canada is expected to export 16% more at 4.15 Million tonnes Durum wheat than 2011-12. Durum wheat seeded area in 2013-14 is expected to increase by 9% due to lower carryover stocks, higher prices and lower seeded area in pulses.

Canada's all wheat (except Durum) export are expected to increase by 4% over previous year to 14.5 million tonnes and for 2013-14 all wheat (except Durum) area is expected to increase by 13% over previous year due to good domestic prices, low carry in and farmers shifting from canola to wheat.

Due to higher domestic prices, government tax rebate policy and expected favorable weather condition may entice farmers to plant more wheat and area may increase by 40% from last year to 4.5 million hectares. USDA is estimating Argentina's wheat production at 13 million tonnes in 2013-14.

Russian IKAR raised wheat production estimate to 53.8 million tonnes from 52.5 million tonnes as certain regions has got good rain in previous week improving the yield prospects.

Western Australia wheat production forecast remains encouraging and plantation has gained pace recently. Rains are expected in a couple of days in dry eastern coast boasting soil moisture.

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.

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:

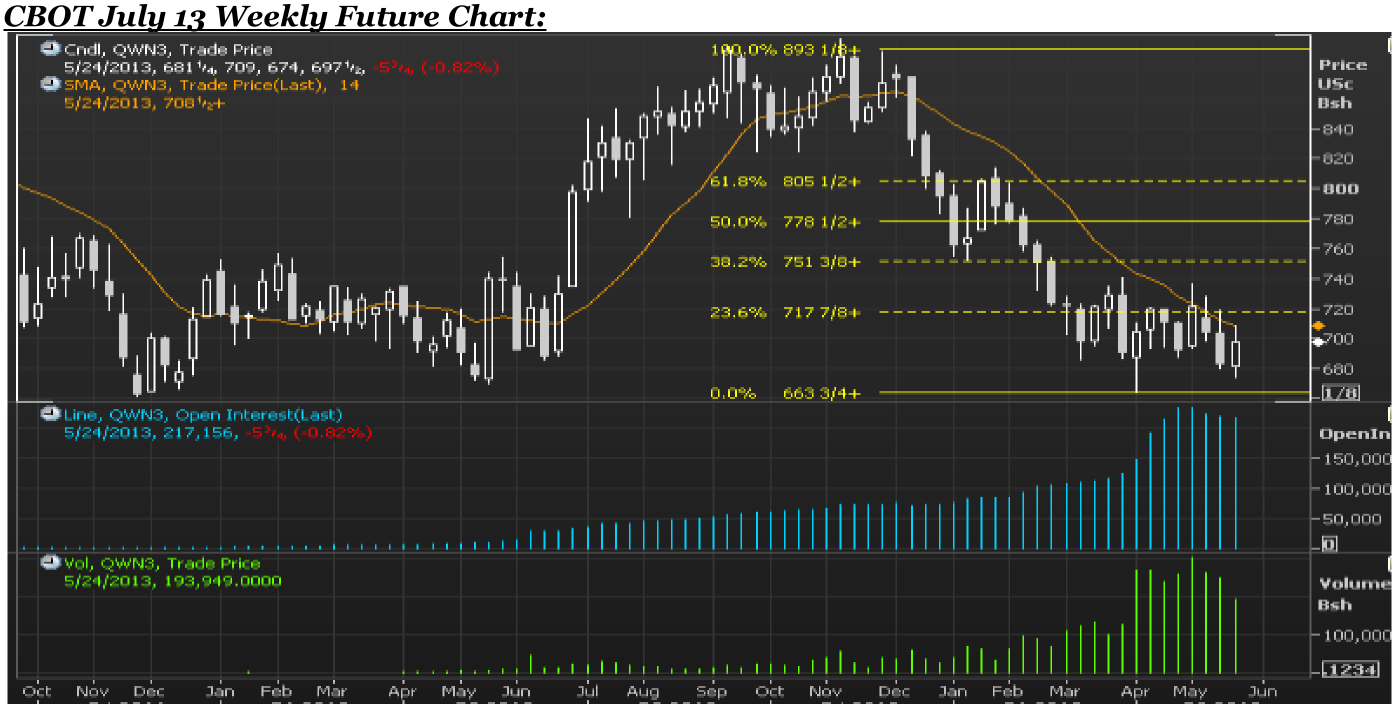
	Variety	% Change over Prev. Year	23.05.13	Week Ago 16.05.13	Month Ago (April)	3 Months Ago (Feb)	Year Ago (May)
USA (Gulf)	SRW 2	10.31	287.90	282.40	288.20	289.60	261.00
France	FCW3	-4.06	269.40	266.60	316.30	314.00	280.80
United Kingdom	Feed wheat	-1.50	269.70	282.70	295.70	307.90	273.80
Australia	CWRS	21.23	327.18	323.83	304.26	290.21	269.88
Russia	SRW	-9.40	270.00	267.50	275.00	272.50	298.00
Ukraine	SRW	-	NA	NA	265.00	270.00	295.00
Argentina	SRW	1.89	270.00	275.00	310.00	370.00	265.00

Global wheat market is expected to trade weak higher wheat production at 710.1 million tonnes as per USDA report.

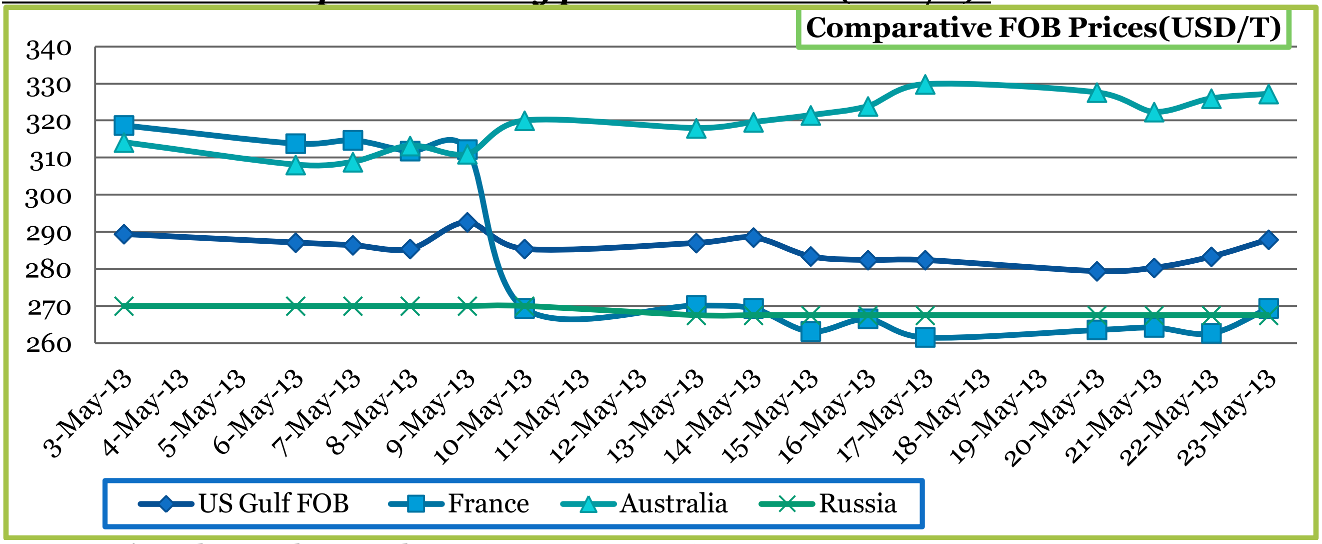
CBOT FUTURES CONTRACT:

CONTRACT MONTH	24 May 2013	Week ago (17 May 2013)	1 Month ago(24 Apr 13)	3 Month ago(25 Feb 13)	6 Month ago(26 Nov 12)	1 Year ago(24 May 12)	% Change over previous year
July-13	256.26	251.03	254.24	260.85	315.69	267.47	-4.19
Sept-13	276.56	273.44	275.92	280.33	334.98	280.33	-1.34
Dec-13	282.62	279.68	281.61	287.12	337.37	282.53	0.03
Mar-14	287.31	284.64	285.75	290.71	337.09	284.37	1.03
May-14	288.87	286.20	285.56	290.25	334.52	286.20	0.93
July-14	272.52	269.67	270.31	272.43	305.95	274.08	-0.57

CBOT July 13 Weekly Future Chart:



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



International Weather update: (Source-USDA)

Canada- Warm and mostly dry weather was recorded however precipitation and freeze was seen in some parts of Canada like Manitoba and Northern Saskatchewan.

Russia and Ukraine – Rains Swept from central and eastern Ukraine into southwestern portions of Russia's Southern District; in these key winter wheat producing areas, the rain provided much needed soil moisture as crops approach the heading stage of development. Nevertheless, not all key crop regions received rainfall. Hot, mostly dry conditions stressed winter grains in northern portions of the Southern District as well as neighboring portions of the Central and Volga Districts.

Australia- Widespread showers (10-25 mm) in southeastern Australia provided a much-needed boost in topsoil moisture throughout a large portion of the wheat belt. Scattered rainfall in Western Australia (5-10mm) has benefited land for wheat planting.

Argentina- Showers and cool weather contained field work for spring crops after weeks of dry and warm weather.

North West Africa- Rains returned to the region unsettling the harvesting of the Wheat although the heaviest of the rain fell outside the major wheat growing region.

USA- By week's end, 43% of the winter wheat crop was at or beyond the heading stage which is 37% points behind last year and 19 points behind the 5-year average.

International Weekly Outlook: **International Spot and Future market is expected to trade steady to weak on expectation of better crop.**