

Domestic Market Updates:

As on 29th May government has procured around 249.86 Lakh tonnes against 339.67 lakh tonnes last year at the same time. Arrivals are low and active buying from private trader may restrict government procurement to 25.3-25.8 million tonnes, however supply side will remain comfortable due to huge carryover stocks.

Wheat production this year is estimated at 88.2 million tonnes by Agriwatch due to fall in yield in key producing states like Haryana, Punjab, Rajasthan, U.P and Madhya Pradesh. 5 year average yield indicates production at 85.94 million tonnes. Market rumors 80-82 million tonnes production seems unlikely.

Madhya Pradesh origin wheat demand is in Gujarat, Rajasthan and South Indian Market. Loose wheat prices have fallen to Rs 1570/Q from 1630/Q from last week owing to slack demand from exporters.

Ongoing discussion of lower crop has changed the inner tone of the market and medium term outlook depends on government pricing and allocation policy. To contain the rising prices government needs to allocate more quantity at discounted price, so inflation can be checked which is generally seen rising June onwards.

Higher prices in open market and lower arrivals in Mandi's have directly impacted the procurement quantity this year. We expect procurement to decline below 27 million tonnes giving the market arrivals and open market price.

Export is likely to decrease due to unviable prices in domestic market. Private traders are not interest in buying old crop wheat at Rs 1484/Q, hence Indian exporters are unable to offer wheat below USD 300/T FOB. US Wheat FOB is ruling around USD 280/T and Black Sea region FOB is ruling at USD 270-280/Q, posing stiff competition to Indian wheat in International market.

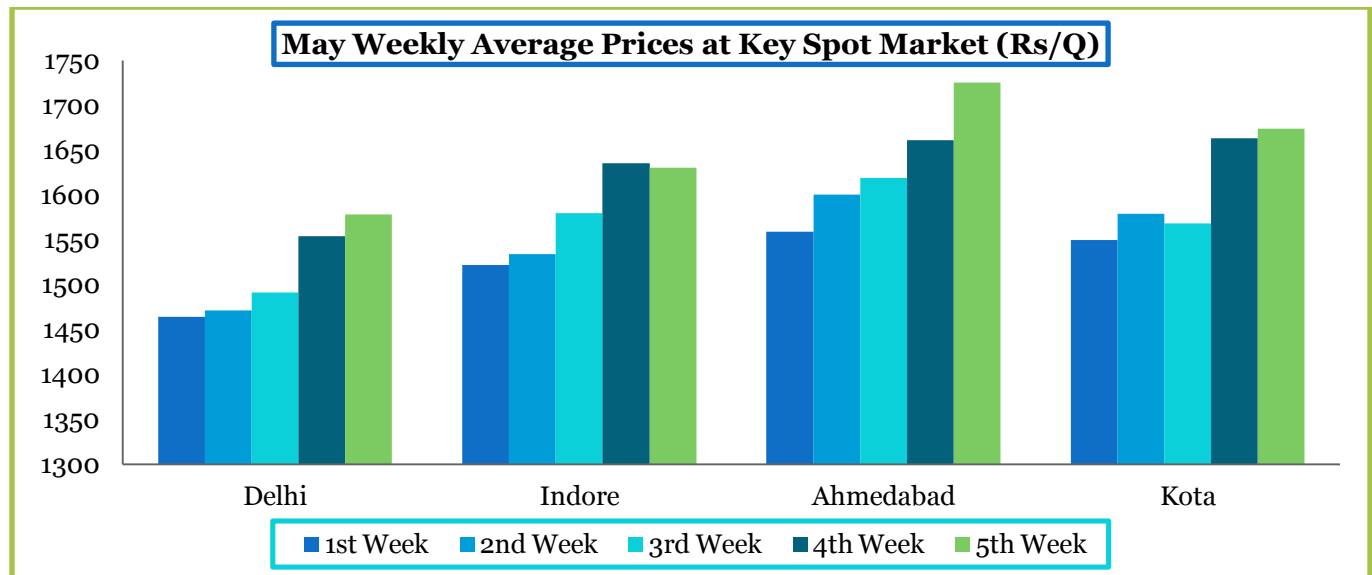
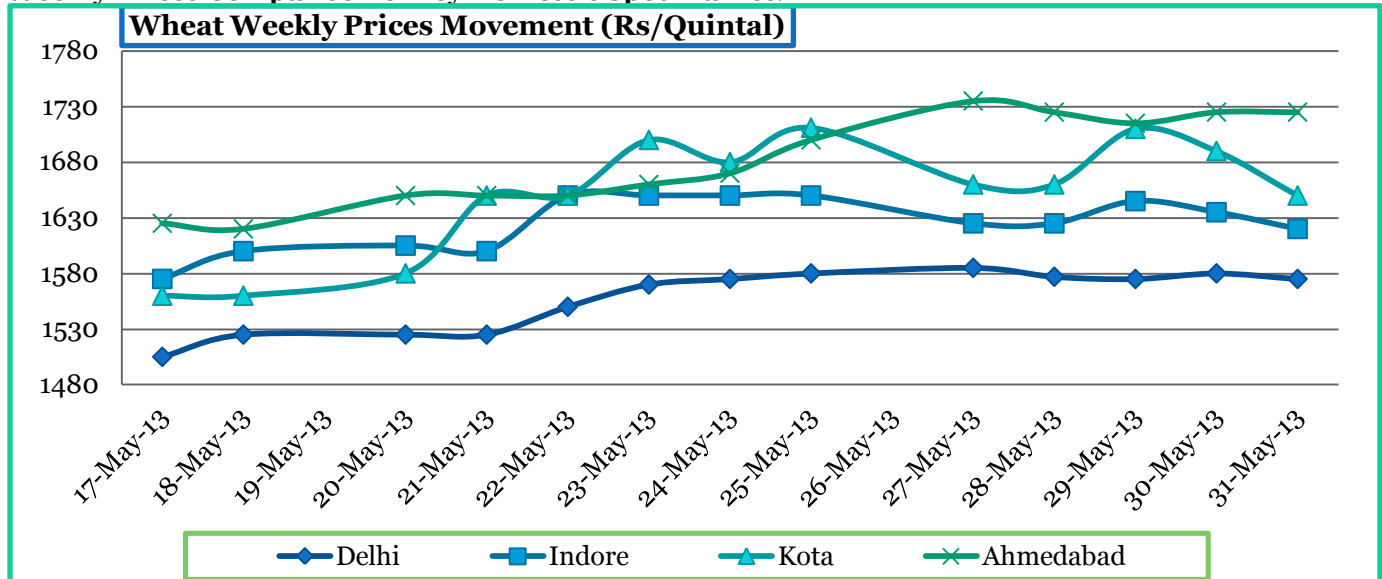
Domestic wheat market is likely to trade firm on improved demand from local buyers. Lower crop size too has added support to market firm tone. Medium term outlook in domestic depends on export quotes in global market and govt.'s price policy in the second quarter for export and domestic market.

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.

Weather Watch: (Source-IMD)

- Cumulative rainfall from 1st March to 29th May 2013 was excess/normal in 14 and deficient/scanty in 22 out of 36 meteorological sub-divisions. (All India Actual: 91.8 mm, Normal: 126.3 mm and Departure: -27%).
- Southwest monsoon has advanced over some more parts of south & central Bay of Bengal and some parts of northeast Bay of Bengal on 26th May.

Weekly Prices Comparison of key Domestic Spot Market:



Prices traded steady to firm during the week as markets consolidated due to weak demand as compared to precious weeks. Markets are expected to trade steady to weak ahead.

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

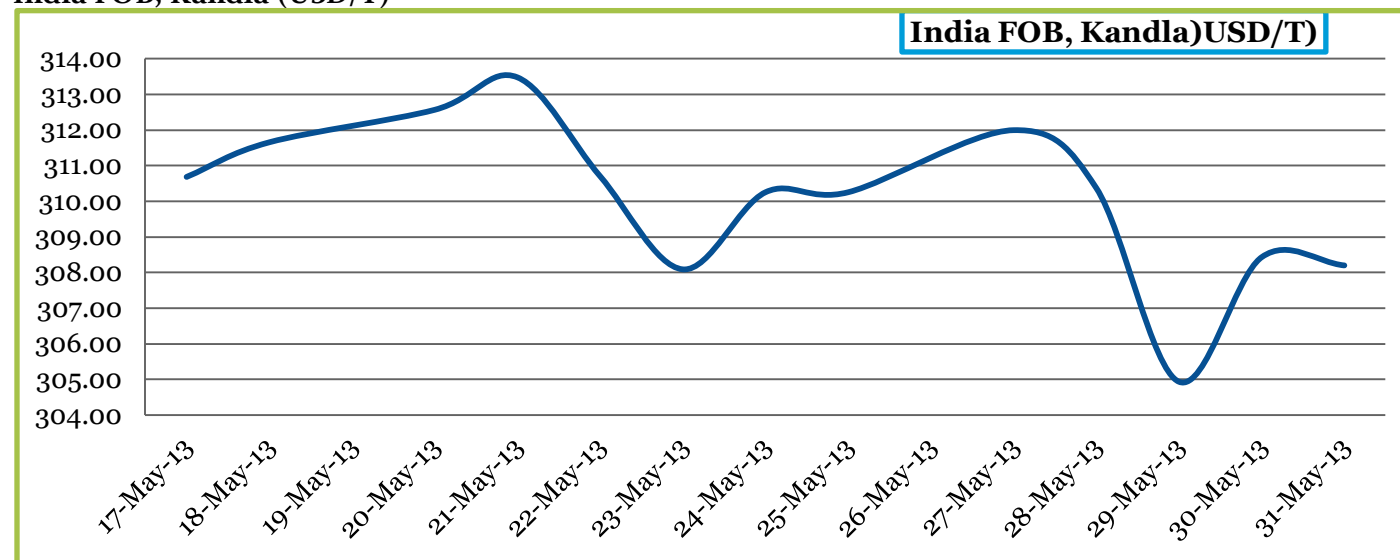
(Figures in Lakh Tonnes)

FOB Value as on 31.05.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Baran/Bundi	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15800	15600	13650	15750	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)	16800	17250	16050	17700	17050	15200	19100
Indian FOB (USD/MT)	297.40	305.36	284.12	313.33	301.82	269.07	338.11
Insurance @ 0.1%	0.30	0.31	0.28	0.31	0.30	0.27	0.34
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (Kandla to Chittagong)	315	323	302	331	320	287	356
INR	56.49	56.49	56.49	56.49	56.49	56.49	56.49
Russian Wheat FOB (USD/MT)	273	273	273	273	273	273	273
Parity on FOB Basis (USD/MT)	-24	-32	-11	-40	-29	4	-65

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

	1 June, 2013	Week ago 27 May 13	Month ago 2 May 13	Year ago 1 June 2012	Change over previous Year %
Bareilly	1605	1619	1503	1200	33.75
Delhi	1580	1600	1440	1205	31.12
Indore	1590	1580	1464	1219.45	30.39
Khanna	1566	1557	1535	1435.8	09.07
Kota	1560	1550	1445	1130	38.05
Kanpur	1450	1475	1400	1425	01.75
Karnal	1609	1624	1550	1280	25.70
Rajkot	1668	1693	1540	1245	33.98

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	298.18	286.71
Apr-13	6.27	303.06	256.85
May-13*	4.21	310.54	258.58
Total 2013-14	10.48	306.80	257.72

*Till 21st May**Domestic Key Spot Market Price Comparison:**

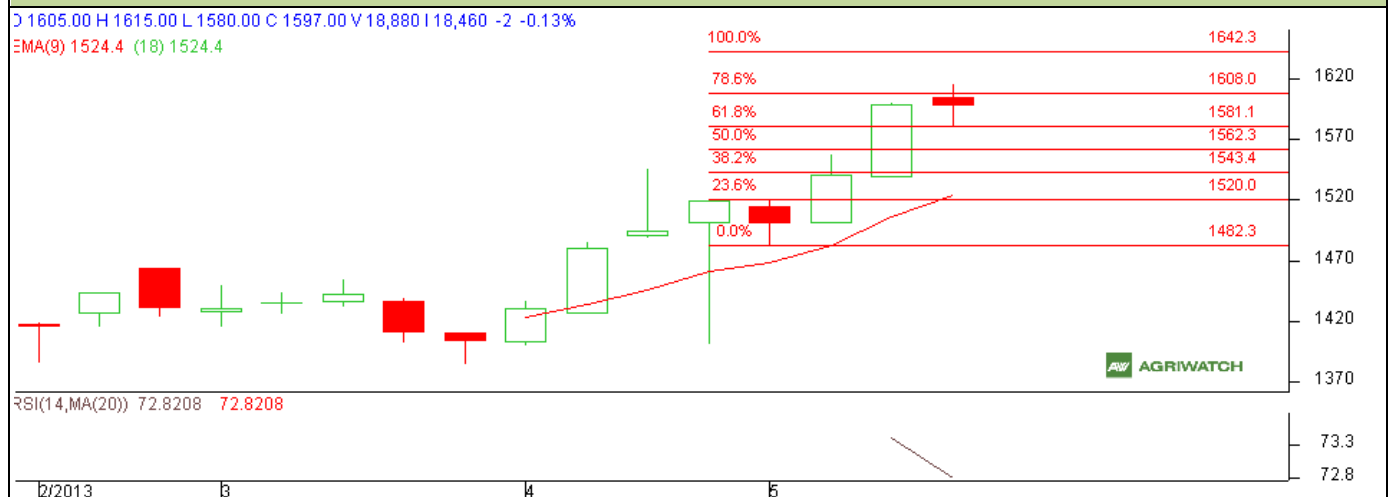
Centre	Market	Variety	Prices (Rs/Qtl)		Change
			01.06.2013	25.05.2013	
Delhi	Lawrence Road	Mill Quality	1590	1580	10
	Nazafgarh	Mill Delivery Loose	1525	1550	-25
	Narella	Mill Delivery Loose	1530	1560	-30
Gujarat	Rajkot	Mill Delivery	1700	1700	Unch
	Ahmadabad	Mill Delivery	1735	1730	5
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1800	1725	75
	Indore	Mill Delivery	1605	1660	-55
Rajasthan	Kota	Mill Quality	1560	1600	-40
U.P.	Kanpur	Mill Delivery	1490	1500	-10
Punjab	Khanna	Mill Quality Loose	1380	1360	20
Haryana	Sirsa	Mill Delivery loose	1415	1450	-35

Wheat Progressive Procurement:

All Figures in Lakh Tonnes		As on 29.05.2013	
State	Total procurement in 2012-13 Season	In Marketing season 2013-14	In Marketing season 2013-13
Punjab	128.34	108.67	127.65
Haryana	86.65	58.73	86.37
U.P	50.63	6.73	29.95
M.P	84.93	63.42	76.72
Rajasthan	19.64	12.16	14.09
Others	11.29	0.15	4.89
All India	381.48	249.86	339.67

Commodity: Wheat
Contract: June

Exchange: NCDEX
Expiry: 20th June, 2012

Wheat (Weekly Chart)**Technical Commentary:**

- Market is moving upward and candlestick chart depicts bullishness.
- Fall in OI, price and Volume indicates Consolidation.
- Prices closed above 9 and 18 days EMA.
- RSI is in overbought zone.

Strategy: Sell from entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	June	1560	1575	1598	1622	1631
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	June	Sell	Below 1605	1590	1585	1615

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

Domestic Weekly Outlook: Key Spot market might trade steady firm during the week on dull buying at certain spot markets. Market may trade steady to weak in week ahead.

International Market Updates:

As per latest IGC report global wheat production in 2013-14 is expected to increase to 682 million tonnes from previous forecast of 680 million tonnes owing to higher area coverage and better yield. However concerns remain over production in key producing countries but ample supply is expected in year ahead.

Global wheat trade is expected to rise by 2 million tonnes to 137 million tonnes over previous estimate but it is 2 million tonnes lower than previous year due to lower demand for feed wheat as maize supply is likely to increase.

Global wheat ending stocks at 180 million tonnes are expected to increase marginally over last year despite of increase in production as increase in consumption may hinder stock building.

Russian domestic wheat crop is expected around 50 million tonnes this year which is around 12 million tonnes from last year. Exports are expected to rise to 15-16 million tonnes from last year's 11 million tonnes. Government may buy 3-4 million tonnes wheat to replenish its depleted wheat stock.

Egypt has harvested around 3.057 million tonnes wheat in this season which is around 45% higher than previous year. Egypt is expected to produce 9-9.5 million tonnes wheat this year. Egypt might import lower quantity this year due to better domestic production.

Ukraine has exported 6.6 million tonnes of wheat in this season according to Ukrainian Ministry of Agriculture. It is estimated that Ukraine grain export may rise to 23-24 million tonnes from 22.8 million tonnes last year.

South Korean firm Nonghyup Feed Inc has bought 55,000 MT feed wheat at USD 282.50/MT, CNF to be delivered by September from Concordia, Black Sea Region is said to be the origin of Wheat.

A Flour mill in Oman has bought 40,000 MT, 12.5% milling wheat of Russian origin at USD 290/MT CNF, which will be delivered between 15th August and 15th September.

Thailand has bought around 109,000 MT of Russian origin feed wheat at USD 284-285.50/MT, CNF for July-August delivery.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12 est.	2012-13 forecast	Projection for 2013-14	
						25.04.2013	31.05.2013
Production	685	679	653	696	655	680	682
Trade	137	128	126	145	139	135	137
Consumption	645	652	658	693	674	678	680
Carryover stocks	173	199	194	197	178	181	180
Y-O-Y change	41	27	-5	3	-19	2	2
Major Exporters	69	79	74	70	51	58	56

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	30.05.13	Week Ago 23.05.13	Month Ago (April)	3 Months Ago (Feb)	Year Ago (May)
USA (Gulf)	SRW 2	10.90	280.90	287.90	293.90	293.40	253.30
France	FCW3	-0.54	277.50	269.40	323.50	320.70	279.00
United Kingdom	Feed wheat	3.67	279.90	269.70	299.60	311.10	270.00
Australia	CWRS	24.09	338.79	327.18	306.15	294.08	273.02
Russia	SRW	-8.39	273.00	270.00	270.00	272.50	298.00
Ukraine	SRW	-11.02	262.50	NA	265.00	270.00	295.00
Argentina	SRW	5.16	275.00	270.00	310.00	350.00	261.50

Global wheat market is expected to trade weak higher wheat production estimate of 682 million tonnes as compared to 680 million tonnes as per IGC latest estimate.

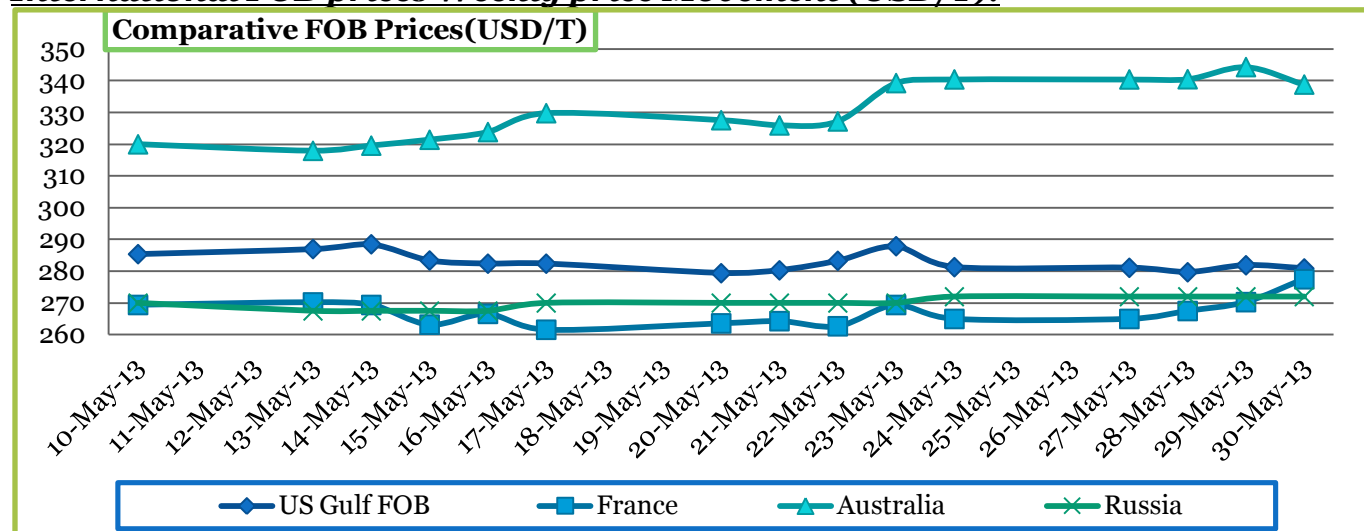
CBOT FUTURES CONTRACT:

CONTRACT MONTH	31 May 2013	Week ago (24 May 2013)	1 Month ago (1 May 13)	3 Month ago (1 Mar 13)	6 Month ago (3 Dec 12)	1 Year ago (31 May 12)	% Change over previous year
July-13	259.20	256.26	264.90	265.35	319.18	263.15	-1.50
Sept-13	262.87	258.83	268.39	268.11	322.03	266.92	-1.51
Dec-13	268.20	263.79	273.71	272.79	324.87	272.43	-1.55
Mar-14	273.53	269.03	278.58	277.39	326.34	273.80	-0.10
May-14	277.02	271.69	279.87	277.48	322.49	275.73	0.47
July-14	278.95	272.34	280.33	275.37	309.35	268.48	3.90

CBOT July 13 Weekly Future Chart:



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



International Weather update: (Source-USDA)

Canada- Mild shower ranging from 10-15 mm across the region was witnessed during the week. Weekly average temperature remains a little above normal temperature.

Russia and Ukraine –Ukraine and Russia's Southern District, with most primary winter wheat areas receiving less than 10 mm. these areas will be needing rains in weeks ahead as wheat progress through reproductive and filling stage.

Australia- Scattered showers (5-15 mm) in southern New South Wales and northern Victoria further increased topsoil moisture for wheat germination and emergence. Temperatures averaged near normal throughout most of the Australia wheat belt, except in southern Queensland where temperatures averaged 1 to 3°C below normal.

Argentina- Mostly dry weather dominated the week with scattered rainfall. Weekly average temperature was 3°C below normal.

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 production as per IGC report.

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