

Domestic Market Updates:

Wheat prices in local market are bound to trade weak this week on govt's decision of releasing 10 million Tonnes wheat from its stocks for bulk and small traders. Export plans were not discussed at the meeting at the meeting concluded Friday. The food ministry will soon send a separate proposal to the cabinet to export 2 million tons of wheat at a minimum price of \$300 a ton through PSU's.

Out of 10 million T 8.5 million tons of wheat to bulk buyers at a base prices of Rs 15,000 a ton. Traders would receive wheat through bidding process. The remaining 1.5 million tons will be offered to state governments, small traders and cooperatives at the base price. The cabinet is expected to consider a plan to sell 7.5 million tons of wheat and rice to the poor at subsidized rates next week.

Market participants believe that wheat prices will trade range bound/steady for till September and they see uptrend October onwards as impact of lower crop production will be visible by that time, as of now ease in demand side has restricted uptrend in the prices. During the lean season, October onwards market will be dependent on government stock, pricing policy and quantity released which is believed to decide the direction of market movement.

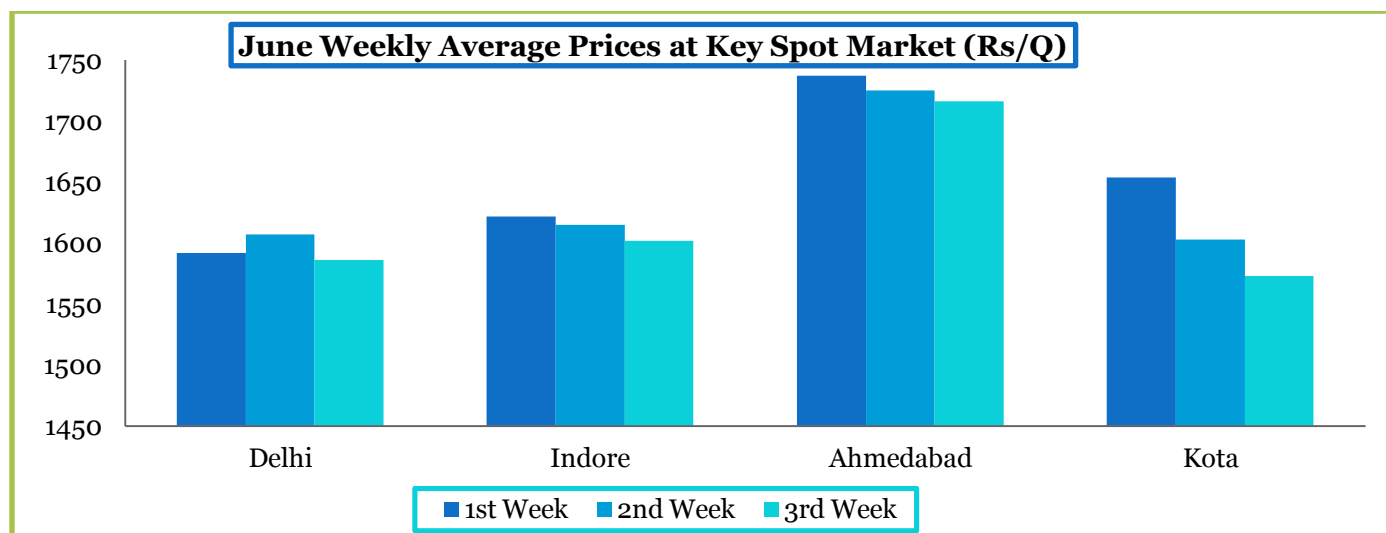
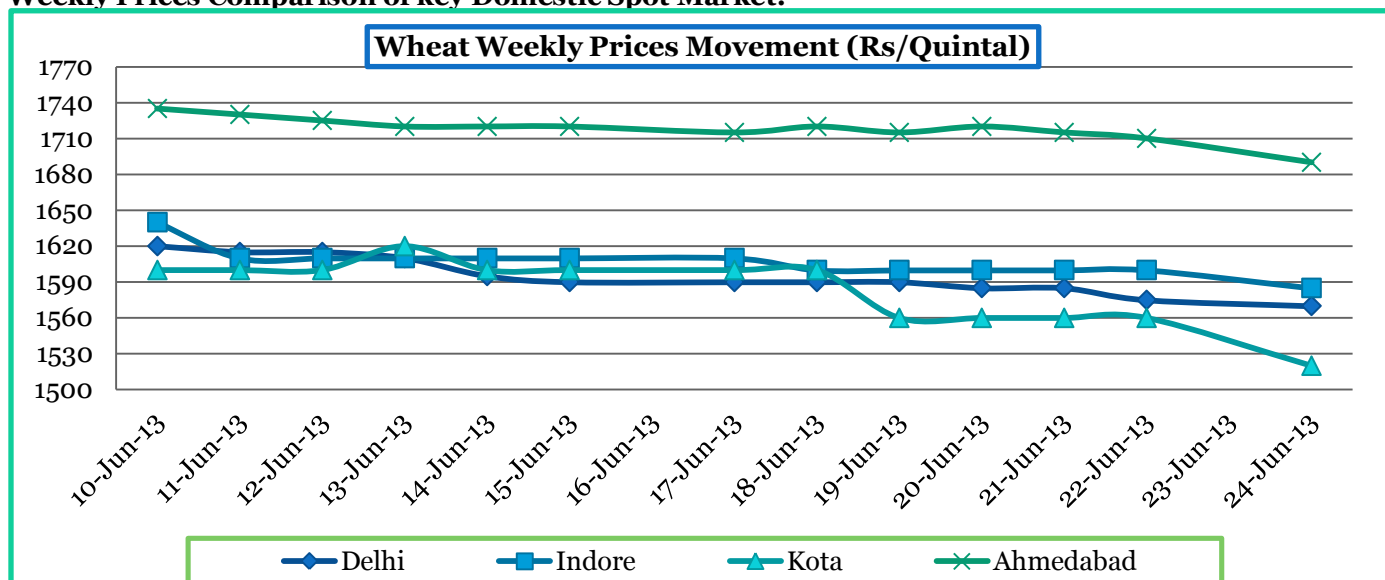
As per trade sources wheat is South Indian markets is sourced from Rajasthan and M.P as there is no parity from U.P due to export demand for U.P wheat from Bangladesh. Prices in Rajasthan and M.P have fallen in past few days as arrivals have increased and demand has fallen.

As per traders, despite of falling INR exporters are not buying much for exports as international markets are expected to trade weak ahead of harvesting in key wheat producing and exporting countries like US, Ukraine and Russia. Better wheat plantation in Canada and Argentina along with improved soil moisture due to recent rains in Australia is likely to put downward pressure.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at most places over Chhattisgarh, Vidarbha, Telangana and along west coast during next 48 hours and decrease thereafter.
- Rain/thundershowers would occur at a few places over Uttar Pradesh, Bihar, Jharkhand, Madhya Maharashtra, Marathwada and North Interior Karnataka during next 24 hours and increase thereafter.
- Rain/thundershowers would occur at one or two places over rest parts of the country.

Weekly Prices Comparison of key Domestic Spot Market:



Prices have fallen at key spot markets owing to dull buying and continuous rains hampering market arrivals and trade.

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.06.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	329.67	3.39	333.06
WHEAT	439.73	2.71	442.44
Wheat lying in Mandies	1.45	0.00	1.45
TOTAL	770.85	6.10	776.95
COARSE GRAINS	0.45	0.00	0.45
SUGAR	0.05	0.05	0.10
GRAND TOTAL	771.34	6.15	777.49

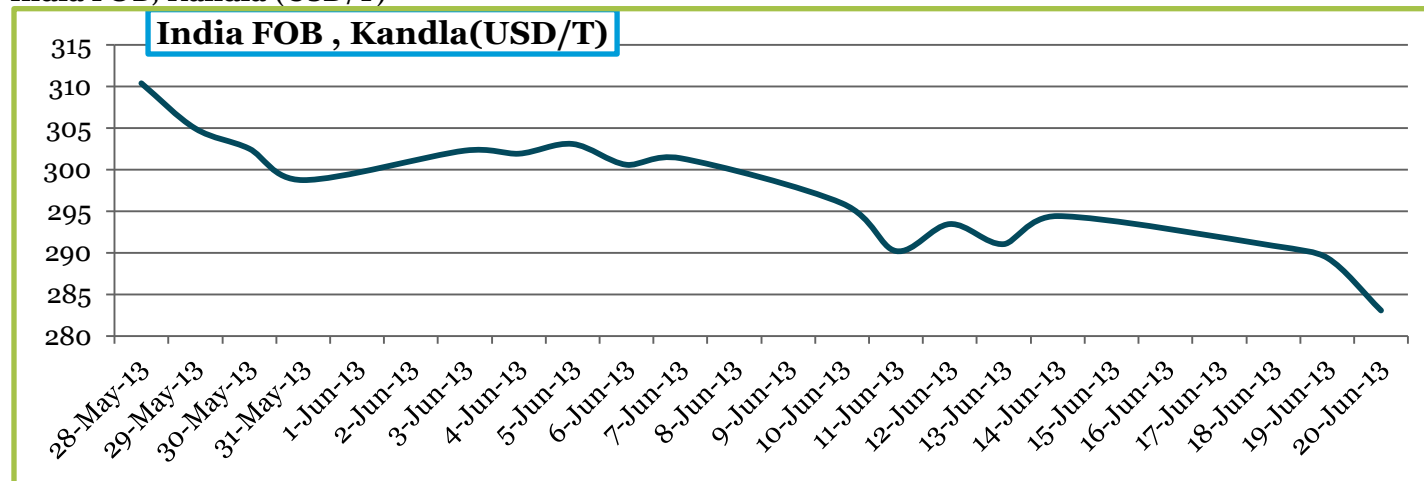
(Figures in Lakh Tonnes)

FOB Value as on 21.06.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15600	15400	13700	15800	15200	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	600	1150	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	16700	17050	16100	17750	17250	15200	19100
Indian FOB (USD/MT)	279.59	285.45	269.55	297.17	288.80	254.48	319.77
Insurance @ 0.1%	0.28	0.29	0.27	0.30	0.29	0.25	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	298	303	288	315	307	272	338
INR	59.73	59.73	59.73	59.73	59.73	59.73	59.73
Russian Wheat FOB (USD/MT)	273	273	273	273	273	273	273
Parity on FOB Basis (USD/MT)	-7	-12	3	-24	-16	19	-47

Spot Prices of Wheat at NCDEX Delivery Centers(Rs/Q)					
	21 June, 2013	Week ago 15 June 13	Month ago 21 May 13	Year ago 21 June 2012	Change over previous Year %
Bareilly	1608	1608	1510	1209	33.00
Delhi	1585	1600	1525	1215	30.45
Indore	1600	1590	1600	1175	36.17
Khanna	1480	1591	1360	1250	18.40
Kota	1500	1575	1560	1130	32.74
Kanpur	1560	1500	1475	1135	37.44
Karnal	1500	1623	1420	1150	30.43
Rajkot	1640	1655	1650	1350	21.48

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	6.88	309.11	258.13
Total 2013-14	13.15	306.09	257.49

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			22.06.2013	15.06.2013	
Delhi	Lawrence Road	Mill Quality	1575	1590	-15
	Nazafgarh	Mill Delivery Loose	1525	1525	0
	Narella	Mill Delivery Loose	1535	1530	5
Gujarat	Rajkot	Mill Delivery	1640	1650	-10
	Ahmedabad	Mill Delivery	1710	1720	-10
M.P.	Bhopal	Mill Quality Loose (Lokwan Price)	1650	1725	-75
	Indore	Mill Delivery	1600	1610	-10
Rajasthan	Kota	Mill Quality	1500	1540	-40
U.P.	Mathura`	Mill Quality Loose	1465	1465	0
Punjab	Khanna	Mill Quality Loose	1475	1400	75
Haryana	Sirsa	Mill Delivery loose	1430	1445	-15

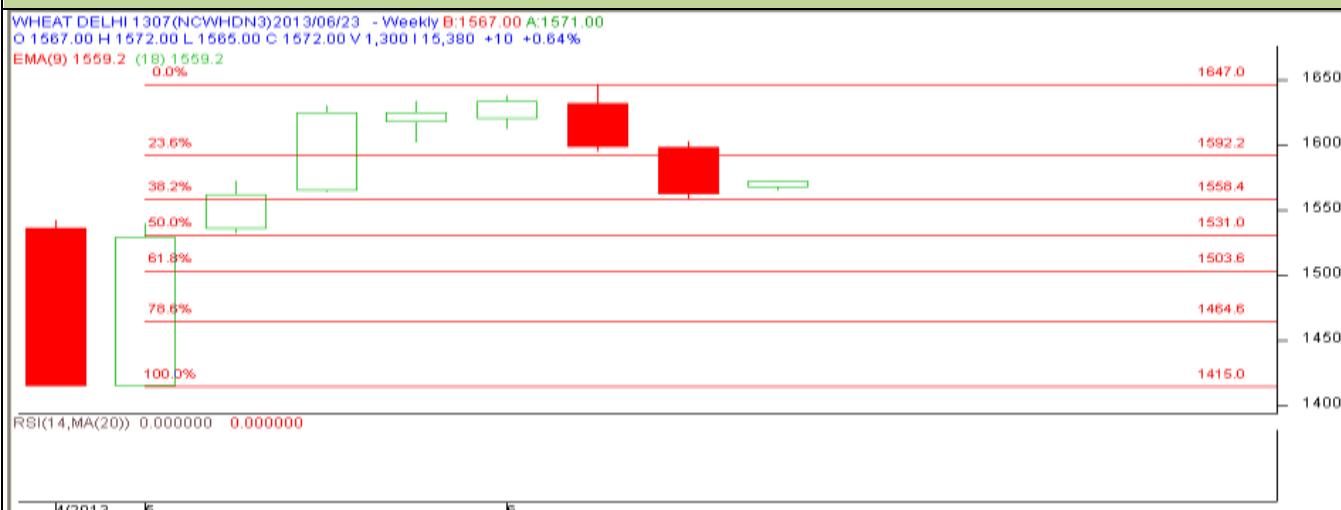
Wheat Progressive Procurement:

All figures in Lakh Tonnes		As on 20.06		
State	Total procurement in 2012-13 Season	In Marketing season 2013-14	In Marketing season 2012-13	Change from last year at the same time
Punjab	128.34	108.89	128.25	-15.10
Haryana	86.65	58.73	86.66	-32.23
U.P	50.63	6.82	44.59	-84.71
M.P	84.93	63.55	85.07	-25.30
Rajasthan	19.64	12.68	18.26	-30.56
Other	11.29	0.14	7.62	-98.16
All India	381.48	250.81	370.45	-32.30

Commodity: Wheat

Exchange: NCDEX

Contract: June

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

- Candle stick chart depicts downward moment in the market.
- Fall in OI and Volume not supported by price indicates weak market.

Strategy: Sell near entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	June	1515	1543	1562	1597	1616
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	June	Sell	Below 1577	1565	1558	1608

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

Domestic Weekly Outlook: Market is likely to trade weak ahead owing to slack buying.

International Market Updates:

International Spot and Future markets are likely to trade steady to weak due to new crop arrivals pressure from Russia, Ukraine, US and Kazakhstan. The Rust fears do not seem to be affecting market significantly.

Thailand brought 1.5 lakh T wheat from Black Sea region this month at around \$280/285 per T on Cif basis. India quotes at \$320/325 for similar variety for Thailand. Current parity is in favour of Black Sea region.

Phillipines buys 50,000 T wheat from Russia at \$ 282 per T on cif basis. More deals seem to be in sight at the end of this month.

Russia is expected to start full scale wheat harvest next week which is two weeks before of normal schedule. Wheat harvest has already begun in Russia's southern regions of Krasnodar and Stavropol. Russia is expected to harvest 70% milling wheat this year against 75% last year and 30% feed wheat. So far Grain yields in regions of Krasnodar and Stavropol were at 4.87 tonnes per hectare as compared to 2.98 tonnes per hectare at the start of last year's wheat harvest campaign.

Winter wheat harvest in US is under way in southern plains and initial reports say that harvest is not as poor it was feared. As temperature in May remained cool and above normal it helped in grain filling hence improving yield prospects.

Argentinean farmers has sown 30% of 3.9 million hectares of wheat, which is an increase of 10.6% points increase from previous week and 4.7% points increase year on year basis owing to dry weather.

USDA report projects global wheat production at 695.86 million tonnes against 701.10 million tonnes in previous report due to fall in production in India, Black Sea region and EU. Ending Stocks too has been reduced to 181.25 million tonnes from 186.38 million tonnes owing to fall in production and increase in consumption demand from India, Iran and Egypt.

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	12.06.13	Week Ago 05.06.13	Month Ago (May)	3 Months Ago (Mar)	Year Ago (June)
USA (Gulf)	SRW 2	12.30	274.00	284.90	287.00	284.90	244.00
France	FCW3	-2.83	268.20	273.60	270.20	315.80	276.00
United Kingdom	Feed wheat	0.62	261.60	275.70	294.80	295.40	260.00
Australia	CWRS	29.15	353.14	342.37	317.93	288.95	273.44
Russia	SRW	-8.39	273.00	273.00	270.00	272.50	298.00
Ukraine	SRW	-11.02	262.50	262.50	265.00	270.00	295.00
Argentina	SRW	6.82	282.00	282.00	270.00	325.00	264.00

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.

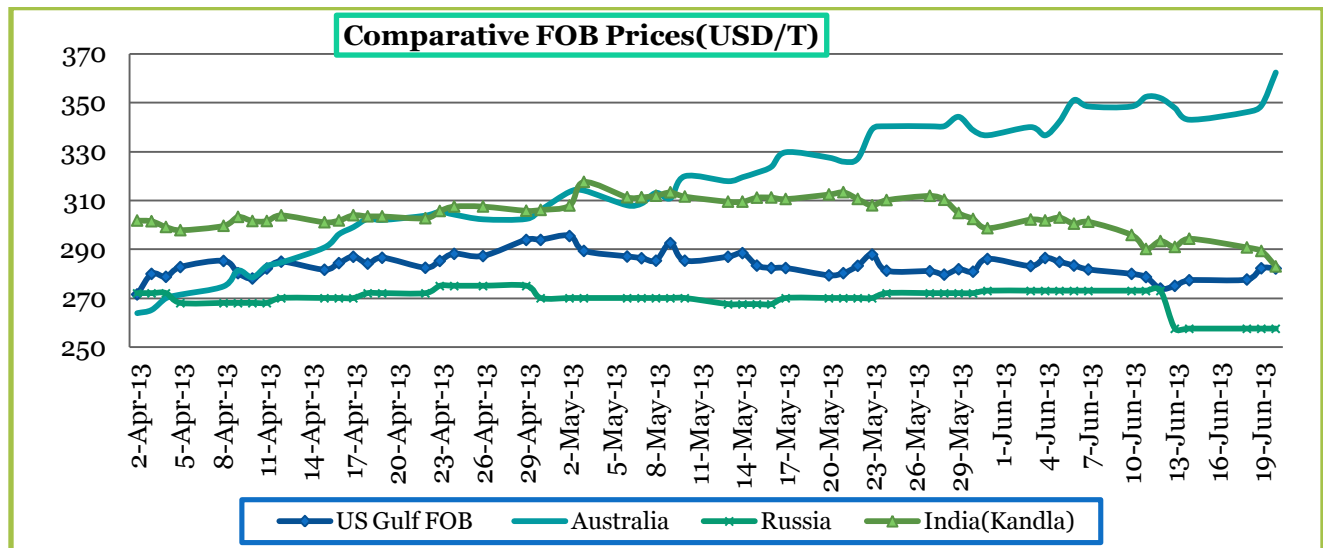
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 20.06.13 (USD/T)							
CONTRACT MONTH	20 June 13	Week ago (10 June 2013)	1 Month ago (17 May 13)	3 Month ago (18 Mar 13)	6 Month ago (17 Dec 12)	1 Year ago (18 June 12)	% Change over previous year
13-Jul	257.36	253.41	251.03	261.96	303.93	258.56	-0.46
13-Sep	260.03	256.81	253.87	264.44	308.52	262.60	-0.98
13-Dec	264.44	262.23	259.94	269.21	313.48	268.39	-1.47
14-Mar	269.49	267.65	266.09	273.99	317.16	270.04	-0.20
14-May	272.89	270.31	268.75	274.72	316.15	271.78	0.41
14-Jul	274.82	273.90	269.67	272.52	303.20	265.91	3.35

CBOT July 13 Future Chart:



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



International Weather update: (Source-USDA)

Canada- In south eastern Canada showers provided fair moisture for winter wheat. In Canadian Prairies conditions were conducive for emerging spring wheat.

Russia and Ukraine –After spells of wetness dry and cool weather promoted completing of spring wheat plantation in Siberia and north portion of Southern district. Showers and thunderstorms (10-75 mm) maintained adequate to abundant soil moisture for winter crops in, Ukraine, and Russia's Central District.

Australia- Scattered and light rains (1-8mm) in the wheat belt provided moisture along with warm and sunny weather helped wheat development.

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

USA-82% of the winter wheat crop was at heading stage and beyond which is 9% points behind last year and 5 points behind the 5-year average.

International Weekly Outlook:

International market is likely to trade steady to weak in medium and short term on better global output and improves crop outlook in Australia, US and Black Sea region. Harvesting is round the corner in US, Black Sea region and planting is expected to increase in Canada and Argentina.

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