

Domestic Market Updates:

Wheat cash market is trading almost flat on sluggish trading activities and lower demand from south Indian millers. Market undertone remains bearish on expectation of higher supply side from govt.'s granary. Exporters are staying away from the market due to increasing disparity gap. Wheat is expected to trade steady to slightly weak this week.

In a latest development Indian govt. has banned wheat/rice export under humanitarian aid and is gauging market closely. Export through PSU is almost over now and there is no urgency to push export through PSU's. Private trades are indifferent to buy wheat from govt.'s stock due to negligible margin at this point of time.

250.84 lakh tonnes wheat has been procured by government agencies as on 4th June against 376.88 lakh tonnes previous year at the same time. Procurement has been poor due to lower production and private traders offering prices above MSP.

Indian government has passed the ordinance to feed 67% of poor Indian population through ambitious food security bill providing total 62 million tonnes of grains. 5 Kg of each wheat, Rice and millets will be provided at Rs 2, 3 and 1 per Kg respectively. Food security bill may cost government around USD 22 billion.

According to traders, in M.P overall demand is low. Wheat is reaching Pune, Nashik and Ahmednagar at Rs 1830/Q from Indore. Market is expected to remain weak ahead too on ample supply and weak demand.

In Gujarat, no exports were reported recently. Local wheat is trading around Rs 1550/Q and Rajasthan milling wheat is reaching Gujarat at Rs 1600-1650/Q, delivered basis Wheat key spot markets are expected to trade range bound with weak bias due to absence of any major market moving factors.

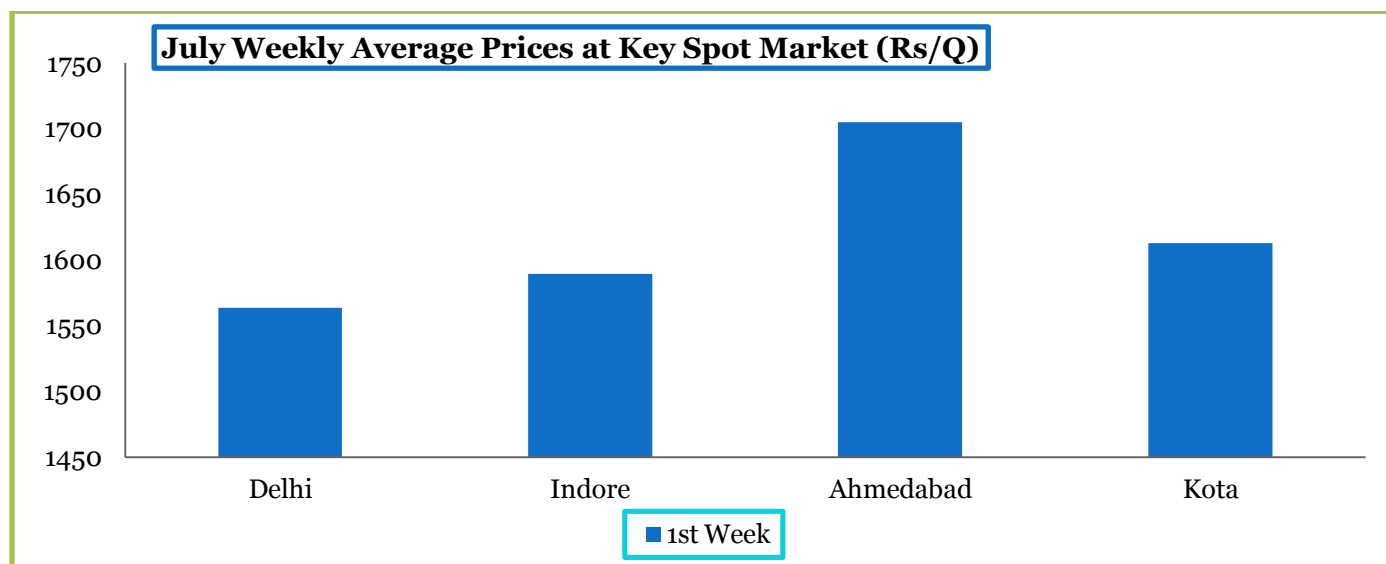
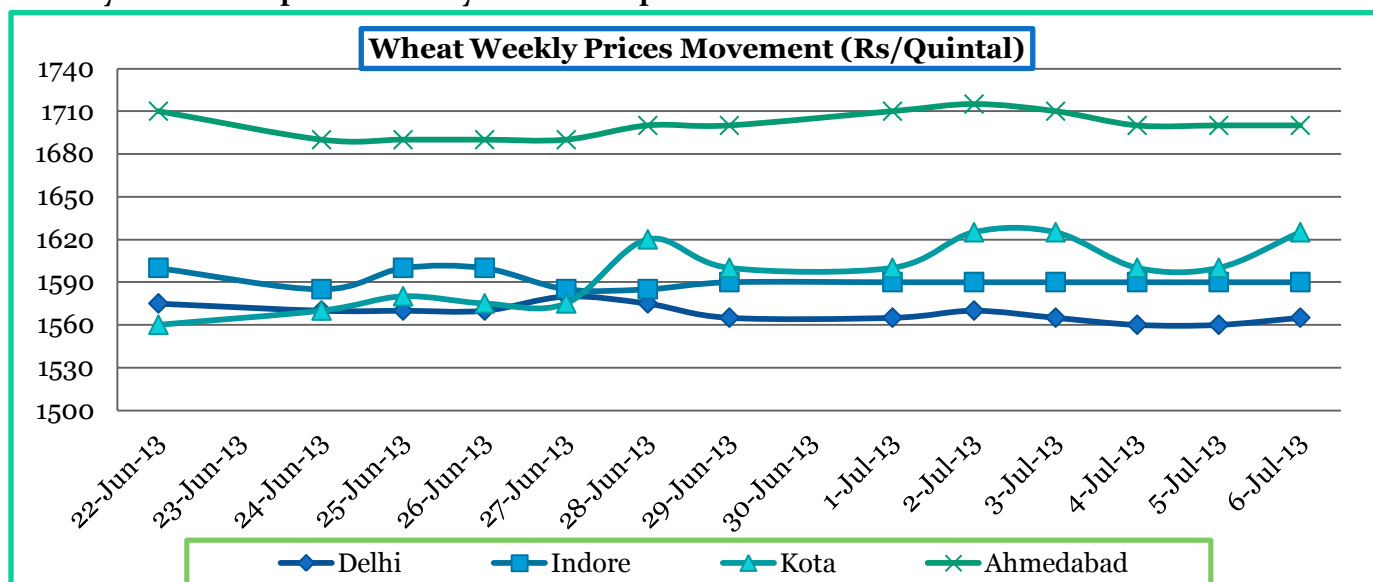
Weather Watch: (Source-IMD)

Seasonal rainfall (in mm) from 1 st June to 6 th July, 2013			
Region	Actual	Normal	% Departure from LPA
East and North East India	279.0	439.4	-37%
North West India	182.0	100.0	83%
Central India	339.6	222.1	53%
South Peninsula	256.5	201.3	27%
All India	265.3	215.1	23%

Weather Outlook for 10-14 July 2013:

Rainfall would occur at most places over along west coast and over Madhya Pradesh, Chhattisgarh and rainfall would occur at many places over eastern & northeastern states, rest of central India, Himachal Pradesh, Uttarakhand, Punjab, Haryana and Uttar Pradesh.

Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat market has been trading steady on sluggish demand and expected increase in supply.

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)

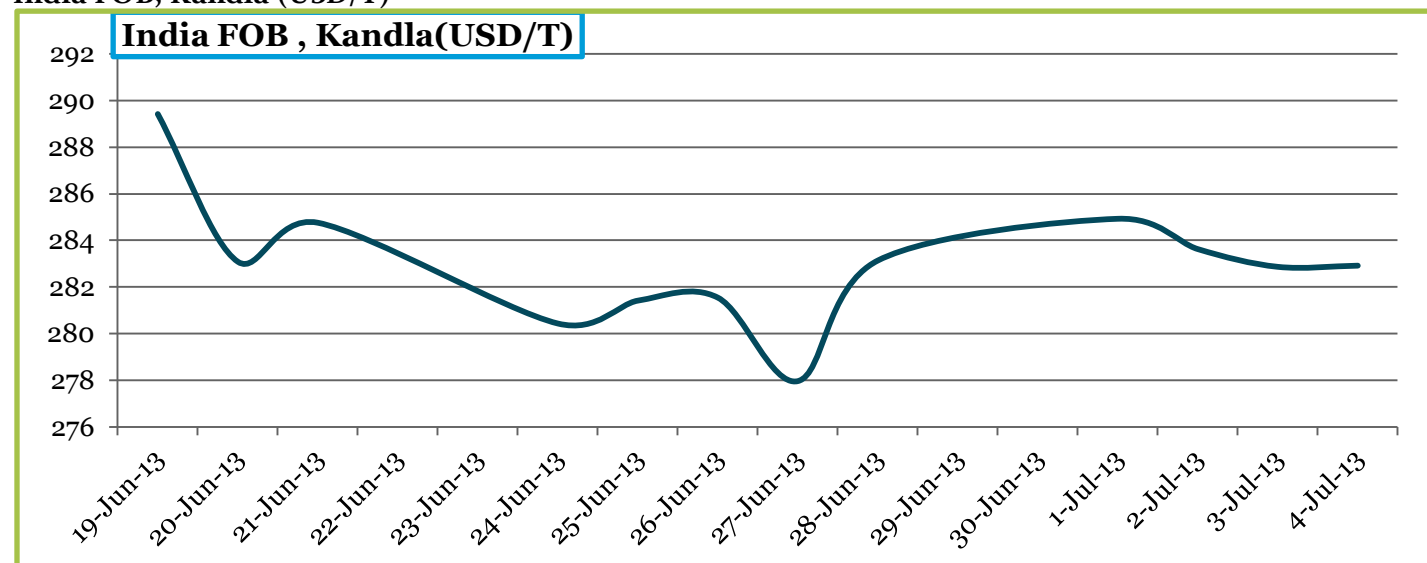
FOB Value as on 06.07.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15800	15400	14800	15500	14500	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	700	1150	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	17000	17050	17200	17450	16550	15200	19100
Indian FOB (USD/MT)	281.78	282.61	285.10	289.24	274.32	251.95	316.59
Insurance @ 0.1%	0.28	0.28	0.29	0.29	0.27	0.25	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	300	301	303	307	292	270	335
INR	60.33	60.33	60.33	60.33	60.33	60.33	60.33
Russian Wheat FOB (USD/MT)	252.5	252.5	252.5	252.5	252.5	252.5	252.5
Parity on FOB Basis (USD/MT)	-29	-30	-33	-37	-22	1	-64

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

	06 July, 2013	Week ago 29 June 13	Month ago 6 June 13	Year ago 6 July 2012	Change over previous Year %
Bareilly	1568	1581	1605	1240	26.45
Delhi	1580	1600	1650	1220	29.51
Indore	1563	1572	1590	1219	28.22
Khanna	1701	1715	1568	1397.15	21.75
Kota	1550	1545	1595	1170	32.48
Kanpur	1455	1490	1470	1346.45	8.06
Karnal	1601	1625	1633	1305	22.68
Rajkot	1620	1628	1669	1363	18.86

India FOB, Kandla (USD/T)



Wheat Export Monthly Data:

	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.38	232.12	237.46
Apr-12	1.17	236.89	235.13
May-12	1.93	252.15	236.73
Jun-12	4.13	256.64	245.82
Jul-12	2.88	296.12	318.27
Aug-12	4.79	310.07	328.89
Sep-12	9.39	314.48	326.52
Oct-12	6.62	312.11	317.84
Nov-12	6.90	320.19	317.04
Dec-12	4.96	326.70	299.60
Jan-13	7.81	325.04	282.26
Feb-13	6.48	324.11	270.06
Mar-13	7.92	303.64	262.31
Total 12-13	64.96	298.18	286.71
Apr-13*	6.27	303.06	256.85
May-13*	6.88	309.11	258.13
June-13*	5.91	291.51	252.7
Total 13-14	19.06	301.23	255.89

Source: DGCIS, *Provisional Data (As per IBIS)

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			06.07.2013	29.06.2013	
Delhi					
	Lawrence Road	Mill Quality	1565	1565	Unch
	Nazafgarh	Mill Delivery Loose	1500	1500	Unch
	Narella	Mill Delivery Loose	1530	1510	20
Gujarat	Rajkot	Mill Delivery	1600	1625	-25
	Ahmadabad	Mill Delivery	1700	1700	Unch
M.P.	Bhopal	Mill Quality Loose	1500	1450	50
	Indore	Mill Delivery	1590	1590	Unch
Rajasthan	Kota	Mill Quality	1535	1530	5
U.P.	Mathura	Mill Quality Loose	1440	1430	10
Punjab	Khanna	Mill Quality Loose	1480	1480	Unch
Haryana	Sirsa	Mill Delivery loose	1460	1450	10

Wheat Progressive Procurement:

All figures in Lakh Tonnes		As on 04.07		
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	128.27	-15.11
Haryana	86.65	58.73	86.66	-32.23
U.P	50.63	6.83	49.81	-86.29
M.P	84.93	63.55	85.06	-25.29
Rajasthan	19.64	12.68	18.26	-30.56
Other	11.29	0.16	8.82	-98.19
All India	381.48	250.84	376.88	-33.44

Commodity: Wheat

Exchange: NCDEX

Contract: August

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

O 1582.00 H 1582.00 L 1571.00 C 1575.00 V 520 | 12,760 -1 -0.06%

EMA(9) 1589.7 (18) 1589.7

**Technical Commentary:**

- Candle stick chart depicts sideward movement in the market.
- Fall in price and rise in OI indicates short buildup.
- Prices closed below 9days EMA.

Strategy: Sell near entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	August	1555	1560	1576	1598	1611
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	August	Sell	Below 1582	1570	1564	1590

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

Domestic Weekly Outlook: Market is likely to trade steady due to comfortable supply side and weak demand.

International Market Updates:

As per latest IGC report, global wheat production is forecasted to rise marginally by 1 million tonnes to 683 million tonne from previous forecast but 4% increase in production is expected from previous year, which is likely to be absorbed by increase in demand and is likely to leave no room for stock building. Ending stocks are expected at 181 million tonnes, 2 million tonnes more y-o-y basis.

Higher use of wheat for feed and industrial purpose is expected to increase global consumption by modest 2 million tonnes to 682 million tonnes from 680 million tonnes. World wheat trade is expected to increase by 1 million tonnes as Iran and china are expected to import more. Black sea region is likely to export more this year and fall in exports is seen in Indian wheat.

USDA attaché report sees China's wheat production at 118 million tonnes which is below USDA official report estimate of 121 million tonnes, attaché reports also sees import at 4 million tonnes as compared to official reports 3.5 million tonnes.

The Food and Agriculture Organization (FAO) and Agricultural Market Information System (AMIS) expect 2013-14 world wheat production at 704 million tonnes as compared to previous estimate of 702 million tonnes in June.

As on 4th July Russia has harvested 8.3 million tonnes of wheat with average yield of 3.51MT/Hectare against 3.51 MT/hectare previous year. Ukraine has harvested 4.8 million tonnes wheat so far and total harvest is expected around 21 million tonnes.

Australia's wheat production could reach near 25 million tonnes owing to beneficial rains in May and June, as per analysts. ABARES sees Australian wheat production at 25.4 million tonnes and wheat exports could fall to 19 million tonnes due to competition from Black Sea region and Canada.

Egypt GASC has bought 180,000 MT of wheat from Ukraine and Romania at an average price of USD 251.24/MT, FOB for August delivery. Tunisian state buying agency has bought 100,000 MT of optional origin soft wheat for USD 258.69/MT, CNF for Aug-Oct delivery.

South Korean firm, NOFI has purchased 45,000 MT feed wheat from Olam reported to be of black sea region for USD 269/MT, CNF basis.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12 est.	2012-13 forecast	Projection for 2013-14	
						31.05.2013	01.07.2013
Production	685	679	653	695	655	682	683
Trade	137	128	126	145	138	137	138
Consumption	645	652	657	692	673	680	682
Carryover stocks	173	199	194	198	179	180	181
Y-O-Y change	41	27	-4	3	-18	2	2
Major Exporters	69	79	74	70	51	56	53

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	04.07.13	Week Ago 27.06.13	Month Ago (June)	3 Months Ago (Apr)	Year Ago (July)
USA (Gulf)	SRW 2	-13.42	260.00	267.70	286.50	278.80	300.30
France	FCW3	-15.68	247.90	264.90	274.30	317.30	294.00
United Kingdom	Feed wheat	-17.52	242.50	247.10	277.20	305.20	294.00
Australia	CWRS	16.23	362.65	356.63	336.69	270.04	312.00
Russia	SRW	-15.55	252.50	262.00	273.00	272.50	299.00
Ukraine	SRW	-12.16	260.00	263.00	262.50	270.00	296.00
Argentina	SRW	-3.51	275.00	272.00	282.00	320.00	285.00

Global wheat market is expected to trade weak higher wheat production estimate of 683 million tonnes as compared to previous estimate of 682 million tonnes as per IGC latest estimate. Harvesting pressure from Black sea region and US too has pressurized the market.

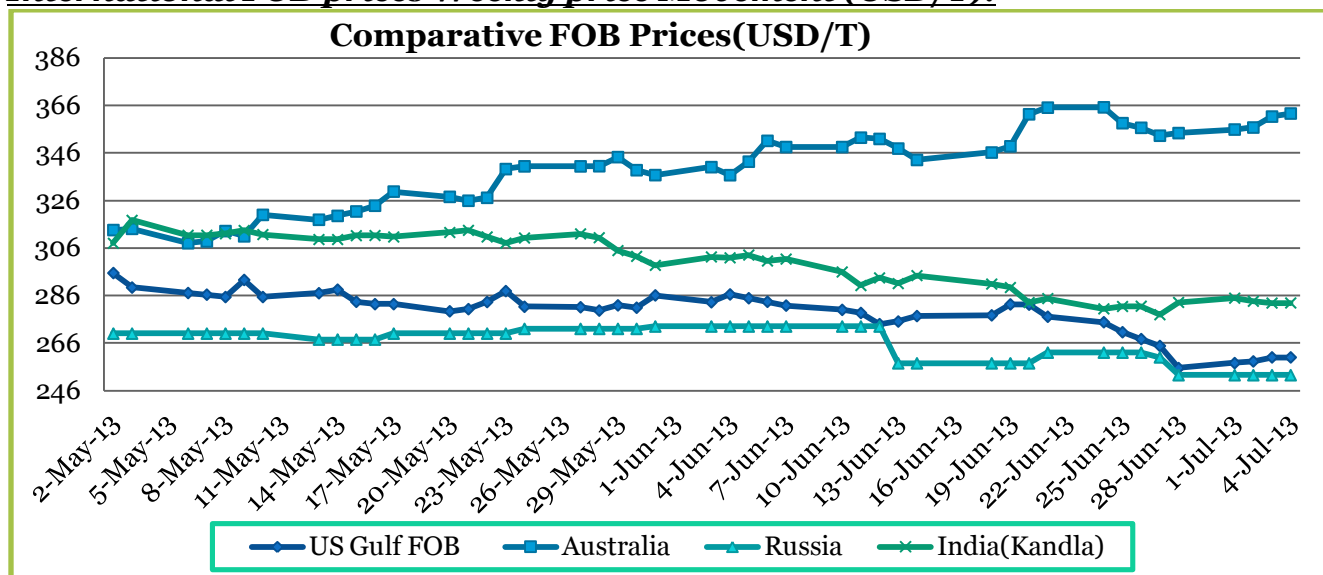
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 05.07.13 (USD/T)							
CONTRACT MONTH	05 July 13	Week ago (28 June 2013)	1 Month ago(5 June 13)	3 Month ago(5 Apr 13)	6 Month ago(7 Jan 13)	1 Year ago(5 July 12)	% Change over previous year
13-Jul	241.01	238.26	257.73	258.74	282.07	310.18	-22.30
13-Sep	242.48	241.66	260.49	261.68	286.94	310.36	-21.87
13-Dec	246.34	246.71	265.54	266.37	292.08	314.04	-21.56
14-Mar	251.03	251.30	270.87	271.23	296.22	314.68	-20.23
14-May	252.95	254.70	274.45	274.17	296.22	315.41	-19.80
14-Jul	254.06	256.45	276.84	275.83	290.61	297.59	-14.63

CBOT September 13 weekly Future Chart:



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



International Weather update: (Source-USDA)

Canada- In south eastern Canada warm and dry weather conditions are helping maturation of wheat.

Australia- Widespread rainfall fell across Western Australian wheat belt helping wheat establishment. In the eastern wheat belt, more widely scattered rainfall fell across South Australia, Victoria, New South Wales, and Queensland, maintaining local moisture supplies for wheat.

Argentina- Mostly dry weather dominated the week with no rainfall reported and supporting farm work. Around 54% of wheat has been planted which is 7 points ahead of previous year.

USA- In major 18 wheat growing states, 43% of this year's winter wheat crop was harvested by June 30 and 30% points behind last year and 9 points behind the 5-year average.

Russia and Ukraine – Dry and cool weather helped development of spring wheat in Russia's Serbia district. A ridge of high pressure settled over southern Russia, bringing hot weather to southeastern Ukraine and much of Russia's Southern District. The heat increased stress on vegetative to reproductive summer crops but had little impact on late filling to maturing winter wheat.

International Weekly Outlook:

International market is likely to trade steady to weak on better global output. Ongoing harvesting in US, Black Sea region and better expected planting in Canada and Argentina may further pressurize market.

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