

### Domestic Market Updates:

**Wheat cash market traded almost unchanged amid sluggish** trading activities. Rains in various parts of the country discouraged the normal course of trading and lower demand against sufficient availability continued to weigh on market fundamentals. Small and bulk buyers are expected to enter into the market for fresh buying from mid July, so that festive demand for wheat products could be met August onward.

**South Indian buyers (millers) are sourcing wheat from Rajasthan and M.P.** at the rate of Rs 1820 to Rs 1850 per qtl. on delivered basis. Private exporters are not active as outlook for global wheat market remains bearish. With declining prices in Black Sea region and US, parity for Indian private exporters turned negative.

**Farmers of Uttar Pradesh, Rajasthan, Bihar and M.P. still** have marketable surplus and they are holding back stock in expectation of higher realization in lean season as usual. It may encourage bulk buyers to turn to govt.'s stock to fulfill their needs. It might support price to some extent at lower level.

**Wheat is reaching Maharashtra from Madhya Pradesh** (Bhopal and Indore region) at Rs 1800-1840/Q. Mill and chakki is buying wheat in Hyderabad from Bhopal at Rs 1750/Q delivered basis. ITC is buying wheat in U.P from Mathura and Kosi region at Rs 1500-1600/Q, according to traders.

**As on 11th July 250.84 lakh tonnes wheat has been procured** against 378.73 lakh tonnes previous year at the same time. Overall procurement is lagging 33.77% behind from last year and biggest fall in procurement has been witnessed in U.P where only 6.83 lakh tonnes wheat has been procured against 49.81 lakh tonnes due to exporters and domestic trading purchases above MSP.

**As on 1st July, Wheat stock in central pool was 423.97 lakh tonnes** against 498.08 lakh tonnes as compared to previous year at the same time. Punjab, Haryana and Madhya Pradesh have 171.46, 104.45 and 67.42 lakh tonnes of wheat stock respectively in central pool.

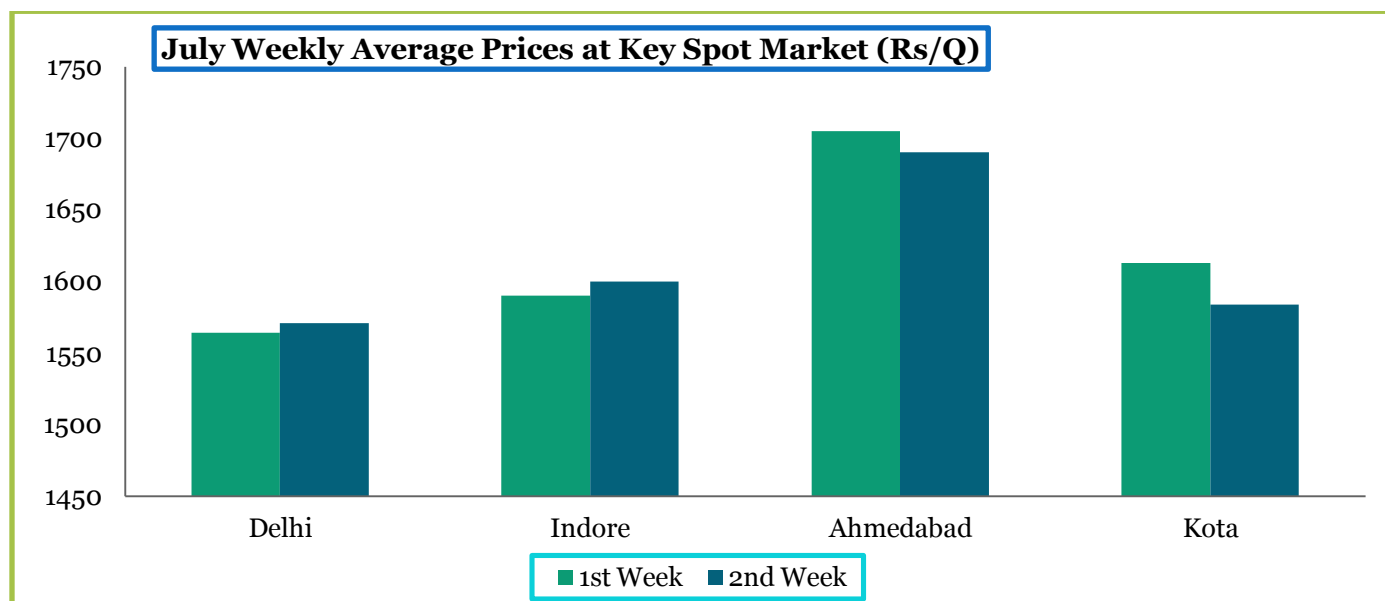
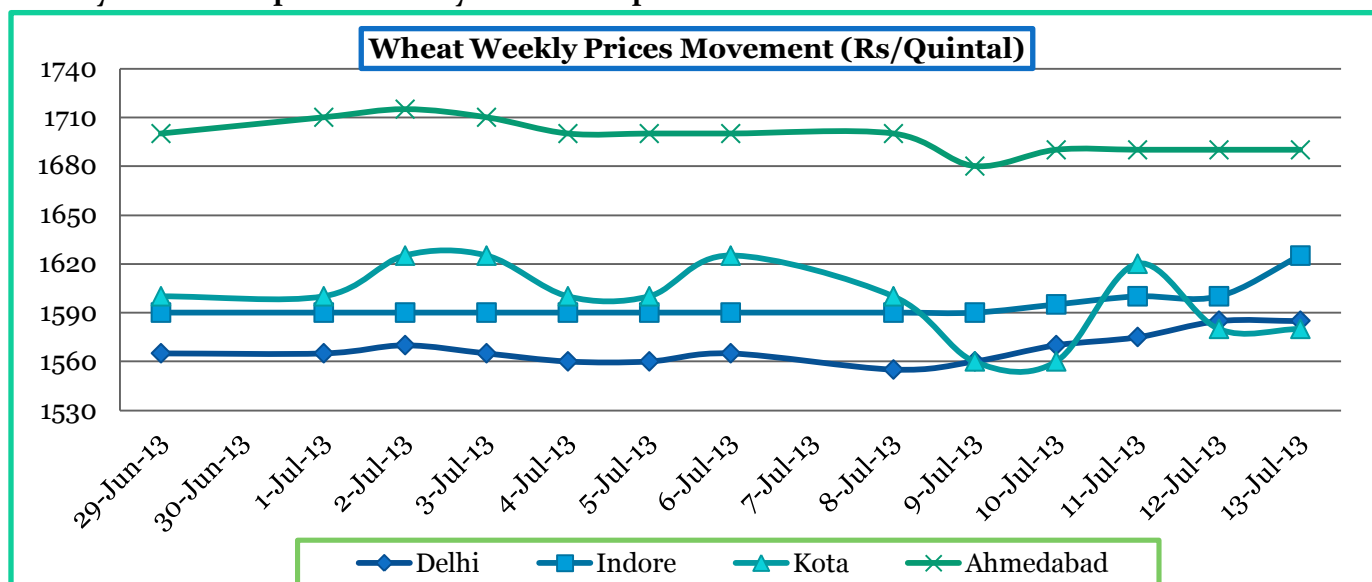
### ***Weather Watch: (Source-IMD)***

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 13 <sup>th</sup> July, 2013			
Region	Actual	Normal	% Departure from LPA
East and North East India	357.60	543.30	-34%
North West India	229.40	148.50	54%
Central India	427.60	292.80	46%
South Peninsula	324.00	248.70	30%
<b>All India</b>	<b>335.10</b>	<b>279.70</b>	<b>20%</b>

### ***Weather Outlook for 17-21 July 2013:***

- Rainfall would occur at most places along west coast and at many places over central & northeast India, north Andhra Pradesh and Andaman & Nicobar Islands.

## Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat market has been trading range bound with absence of any visible new trend. Mixed sentiments were reported in key spot markets.

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.07.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	312.28	2.80	315.08
WHEAT	421.38	2.59	423.97
<b>TOTAL</b>	733.66	5.39	739.05
COARSE GRAINS	0.39	0.00	0.39
SUGAR	0.05	0.00	0.05
<b>GRAND TOTAL</b>	734.10	5.39	739.49

(Figures in Lakh Tonnes)

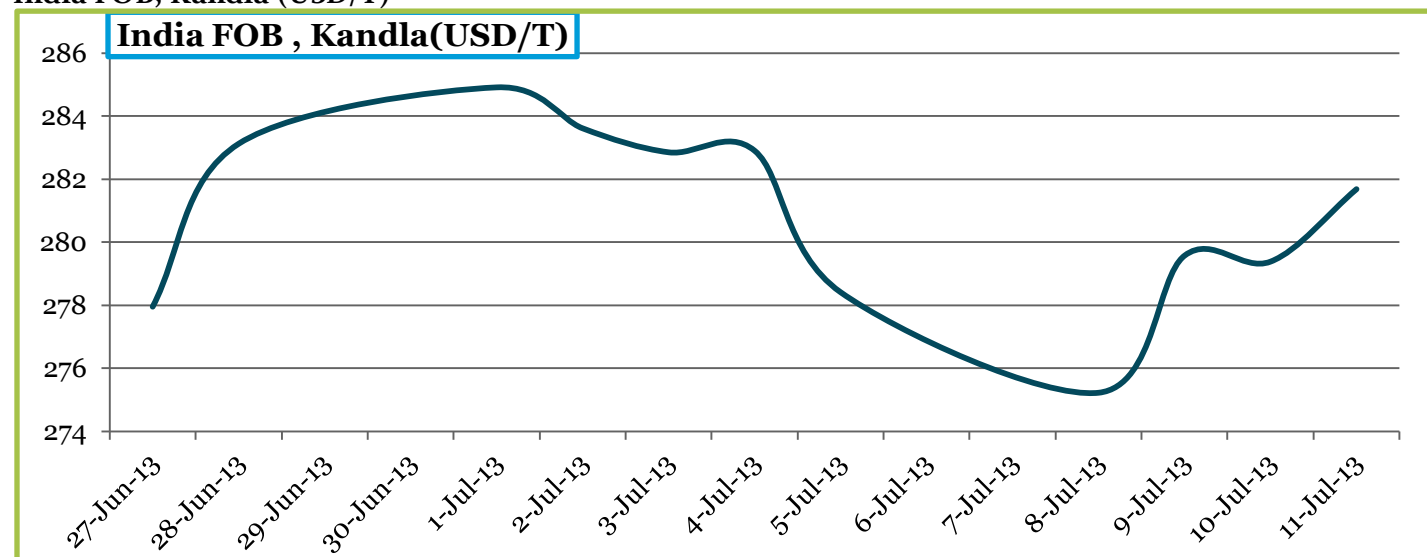
FOB Value as on 06.07.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15500	15200	15000	15750	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)	16700	16850	17400	17700	16550	15200	19100
Indian FOB (USD/MT)	<b>278.84</b>	<b>281.35</b>	<b>290.53</b>	<b>295.54</b>	<b>276.34</b>	<b>253.80</b>	<b>318.92</b>
Insurance @ 0.1%	0.28	0.28	0.29	0.30	0.28	0.25	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	297	299	309	314	294	272	337
INR	59.89	59.89	59.89	59.89	59.89	59.89	59.89
Russian Wheat FOB (USD/MT)	<b>252.5</b>	<b>252.5</b>	<b>252.5</b>	<b>252.5</b>	<b>252.5</b>	<b>252.5</b>	<b>252.5</b>
Parity on FOB Basis (USD/MT)	<b>-26</b>	<b>-29</b>	<b>-38</b>	<b>-43</b>	<b>-24</b>	<b>-1</b>	<b>-66</b>

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

	13 July, 2013	Week ago 06 July 13	Month ago 13 June 13	Year ago 13 July 2012	Change over previous Year %
<b>Indore</b>	1603	1568	1600	1323	<b>21.16</b>
<b>Bareilly</b>	1580	1580	1600	1305	<b>21.07</b>
<b>Delhi</b>	1584	1563	1608	1273	<b>24.43</b>
<b>Khanna</b>	1701	1701	1585	1397.15	<b>21.75</b>
<b>Kanpur</b>	1555	1550	1590	1200	<b>29.58</b>
<b>Karnal</b>	1478	1455	1518	1379	<b>07.18</b>
<b>Rajkot</b>	1625	1601	1629	1370	<b>18.61</b>
<b>Kota</b>	1618	1620	1655	1488	<b>08.74</b>

India FOB, Kandla (USD/T)



**Wheat Export Monthly Data:**

	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
<b>Sept 11- Mar 12</b>	<b>7.38</b>	<b>232.12</b>	<b>237.46</b>
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
<b>Total 12-13</b>	<b>64.96</b>	<b>298.18</b>	<b>286.71</b>
Apr-13*	6.27	303.06	256.85
May-13*	6.88	309.11	258.13
June-13*	5.91	291.51	252.7
<b>Total 13-14</b>	<b>19.06</b>	<b>301.23</b>	<b>255.89</b>

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

**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			15.07.2013	06.07.2013	
Delhi					
	Lawrence Road	Mill Quality	1585	1565	20
	Nazafgarh	Mill Delivery Loose	1500	1500	Unch
	Narella	Mill Delivery Loose	1515	1530	-15
Gujarat	Rajkot	Mill Delivery	1600	1600	Unch
	Ahmadabad	Mill Delivery	1690	1700	-10
M.P.	Bhopal	Mill Quality Loose	1450	1500	-50
	Indore	Mill Delivery	1625	1590	35
Rajasthan	Kota	Mill Quality	1515	1535	-20
U.P.	Mathura	Mill Quality Loose	1440	1440	Unch
Punjab	Khanna	Mill Quality Loose	1485	1480	5
Haryana	Sirsa	Mill Delivery loose	1460	1460	Unch

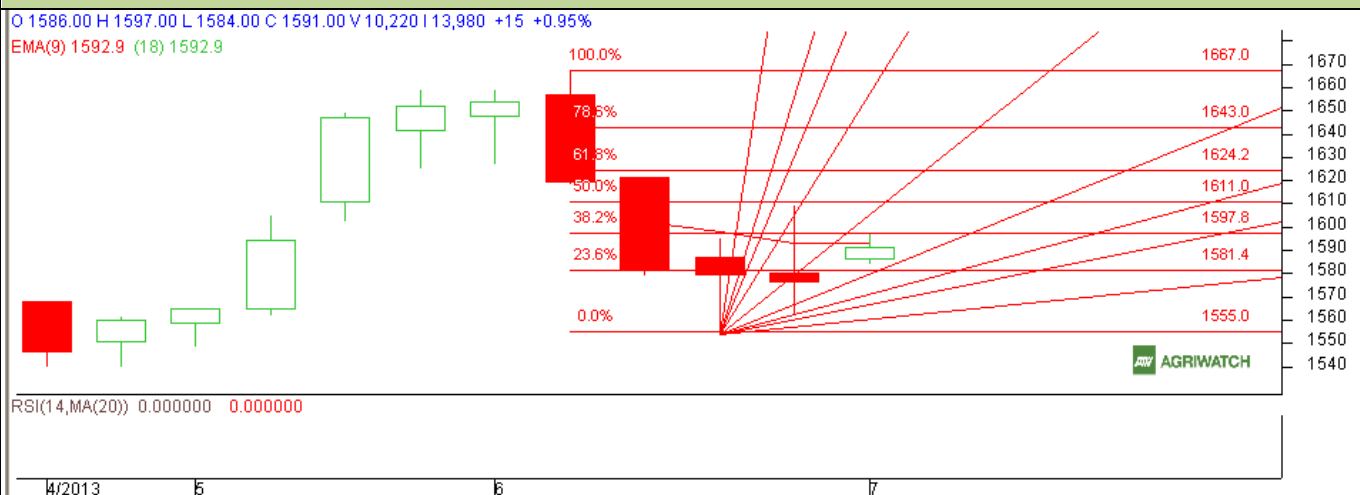
**Wheat Progressive Procurement:**

All figures in Lakh Tonnes		As on 11.07		
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	<b>-15.11</b>
Haryana	86.65	58.73	86.66	<b>-32.23</b>
U.P	50.63	6.83	49.81	<b>-86.29</b>
M.P	84.93	63.55	85.06	<b>-25.29</b>
Rajasthan	19.64	12.68	18.26	<b>-30.56</b>
Other	11.29	0.16	9.86	<b>-98.38</b>
<b>All India</b>	<b>381.48</b>	<b>250.84</b>	<b>378.73</b>	<b>-33.77</b>

Commodity: Wheat

Exchange: NCDEX

Contract: August

Expiry: 20<sup>th</sup> August, 2012**Wheat (Weekly Chart)****Technical Commentary:**

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

**Strategy: Sell near entry level**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	August	1565	1572	1591	1612	1624
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	August	<b>Sell</b>	Below 1598	1584	1579	1610

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

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

### International Market Updates:

**As per the latest WASDE report global wheat** production is expected to increase to 697.80 million tonnes from previous projection on 695.86 million tonnes due to better production estimates in Australia and China. Global wheat trade has been increased by 5 million tonnes to 149.13 million tonnes due to expected increase in imports from China and Iran.

**Global ending stocks have been reduced to 172.38 million** tonnes from previous projection on 181.25 million tonnes. World wheat consumption has been increased by 5 million tonnes to 699.89 million tonnes from 694.48 million tonnes due to increase in consumption in India, Pakistan, Iran and Japan.

**Iranian state grain buying agency GTC has bought around 450,000 MT** milling wheat from Russia and Poland unconfirmed market sources revealed. 250,000 MT of milling wheat was bought at USD 295/MT, CNF from Russia and 200,000 MT from Poland at around USD 305/MT, CNF for August delivery.

**Analyst estimate China's wheat import at 5** million tonnes due to bad weather this year. Last week China has bought around 1.3 million tonnes wheat from US at low levels, which has supported US prices in recent times.

**Pakistani buyers have bought 250,000 tonnes** of milling wheat from black sea region for Aug-Sept shipment. Traders said five 50,000 tonnes consignment was bought in range of \$ 279-289/MT, CNF.

**French farm ministry is expected to produce 35.9** million tonnes soft wheat, which is 1.1% higher than previous year. The ministry's estimate is based on an expected average yield of 7.2 MT/hectare, down from 7.3 tonnes in 2012, and an estimated area of 4.99 million hectares, up from 4.87 million last year.

**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.

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
<b>Production</b>	685	679	653	695	655	682	683
<b>Trade</b>	137	128	126	145	138	137	138
<b>Consumption</b>	645	652	657	692	673	680	682
<b>Carryover stocks</b>	173	199	194	198	179	180	181
<b>Y-O-Y change</b>	41	27	-4	3	-18	2	2
<b>Major Exporters</b>	69	79	74	70	51	56	53

## Indicative FOB Quotes:

	Variety	% Change over Prev. Year	11.07.13	Week Ago 04.07.13	Month Ago (June)	3 Months Ago (Apr)	Year Ago (July)
USA (Gulf)	SRW 2	-9.80	275.30	260.00	278.70	282.20	305.20
France	FCW3	-15.10	259.80	247.90	273.20	325.40	306.00
United Kingdom	Feed wheat	0.04	274.20	242.50	265.70	307.80	274.10
Australia	CWRS	11.85	359.05	362.65	352.48	283.24	321.00
Russia	SRW	-13.68	252.50	252.50	257.50	272.50	292.50
Ukraine	SRW	-10.34	260.00	260.00	262.50	270.00	290.00
Argentina	SRW	-14.69	273.00	275.00	277.00	315.00	320.00

Global wheat market is expected to trade weak higher wheat production estimate of 697.80 million tonnes as compared to previous estimate of 695.86 million tonnes as per USDA latest estimate. Harvesting pressure from Black sea region and US too has pressurized the market.

## CBOT FUTURES CONTRACT:

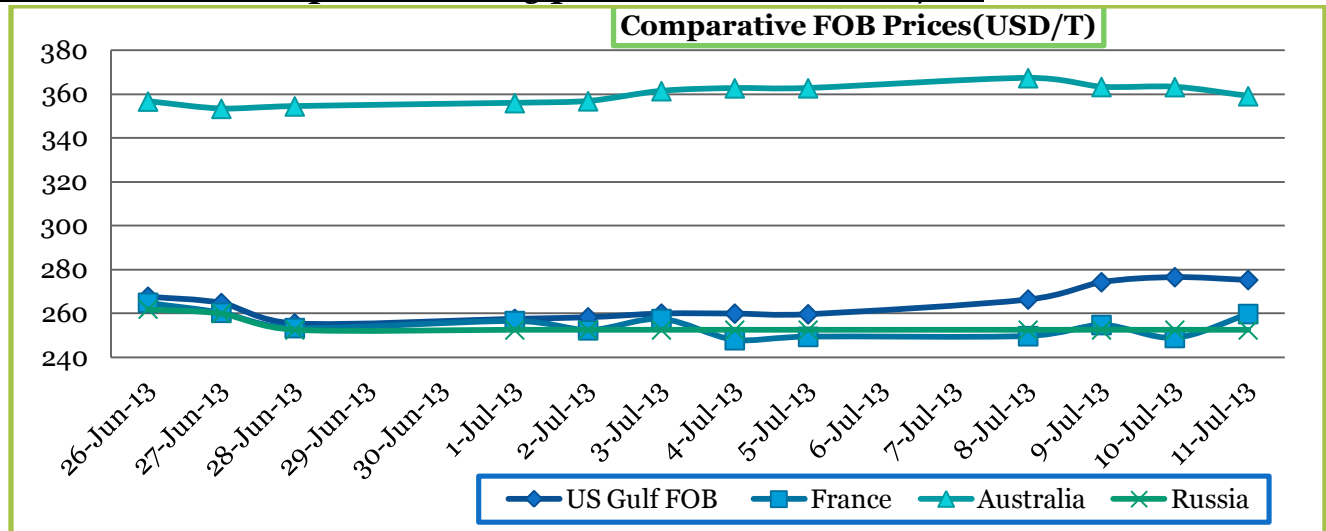
CBOT Futures Prices: Date: 12.07.13 (USD/T)							
CONTRACT MONTH	12 July 13	Week ago (5 July 2013)	1 Month ago (12 June 13)	3 Month ago (12 Apr 13)	6 Month ago (14 Jan 13)	1 Year ago (12 July 12)	% Change over previous year
13-Jul	246.89	241.01	250.93	264.34	285.47	303.75	-18.72
13-Sep	250.20	242.48	253.87	266.46	288.32	304.48	-17.83
13-Dec	254.88	246.34	259.11	271.42	293.46	306.60	-16.87
14-Mar	259.20	251.03	264.16	276.38	297.78	308.62	-16.01
14-May	261.86	252.95	267.93	278.49	297.04	308.80	-15.20
14-Jul	260.58	254.06	270.31	279.22	291.62	284.64	-8.45

## CBOT September 13 weekly Future Chart:





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



### **International Weather update: (Source-USDA)**

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

**Australia-** Scattered rainfall fell south of Western Australian wheat belt providing little moisture to wheat crop. In New South Wales and southern Queensland, mostly sunny, generally dry weather spurred crop development.

**Argentina-** Dry and warm weather dominated the week throughout the wheat growing region and supporting farm work. Around 64% of wheat has been planted which is 7 points ahead of previous year.

**USA-** In major 18 wheat growing states, 57% of this year's winter wheat crop was harvested by July 7 and 21% points behind last year and 7 points behind the 5-year average.

**Russia and Ukraine** – Cooler, wetter weather returned to the region, although dry, occasionally hot conditions persisted in western most spring wheat areas. A cold front generated moderate to heavy showers in northeastern Kazakhstan and adjacent portions of southern and eastern Russia, boosting soil moisture for vegetative spring 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.

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.