

### Domestic Market Updates:

**Wheat cash market traded almost rangebound 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 early August, so that festive demand for wheat products could be met.

**In Tarntaran Mandi, Punjab low arrivals** are reported these days. Traders and Stockiest are selling Mill Delivery wheat at Rs 1500-1525/Q. As per reports majors buyers in tarntaran region are flour millers from Kashmir region, who are further exporting flour to Pakistan.

**Trade sources revealed, milling wheat is trading** in the range of Rs 1500-1525/Q in Amritsar region. Local demand is low and ample stock is available with government now. Government stock will be dictating market prices in times ahead.

**According to traders, government will be selling** 85 lakh tonnes of wheat from Punjab and Haryana at Rs 1500/Q Ex warehouse. Around 27.44 million tonnes of wheat is lying in stock as on 1st July. But South Indian traders feel it is prices to high due to transportation and other charges. In Karnataka government wheat will cost around Rs 1850-1875/Q, Mill delivered when lifted from Punjab and Haryana however wheat is available from Rajasthan and M.P private traders at Rs 1820-1850/Q with credit facility.

**Wheat inflation for June, 2013 was 13.83% year on year basis.** This is higher than previous month inflation of 12.65%. WPI has increased to 205 in June 2013 from 201.30 in May 2013.

**South Indian buyers (millers) are sourcing wheat from Rajasthan and M.P.** at the rate of Rs 1820 to Rs 1850/Q 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.

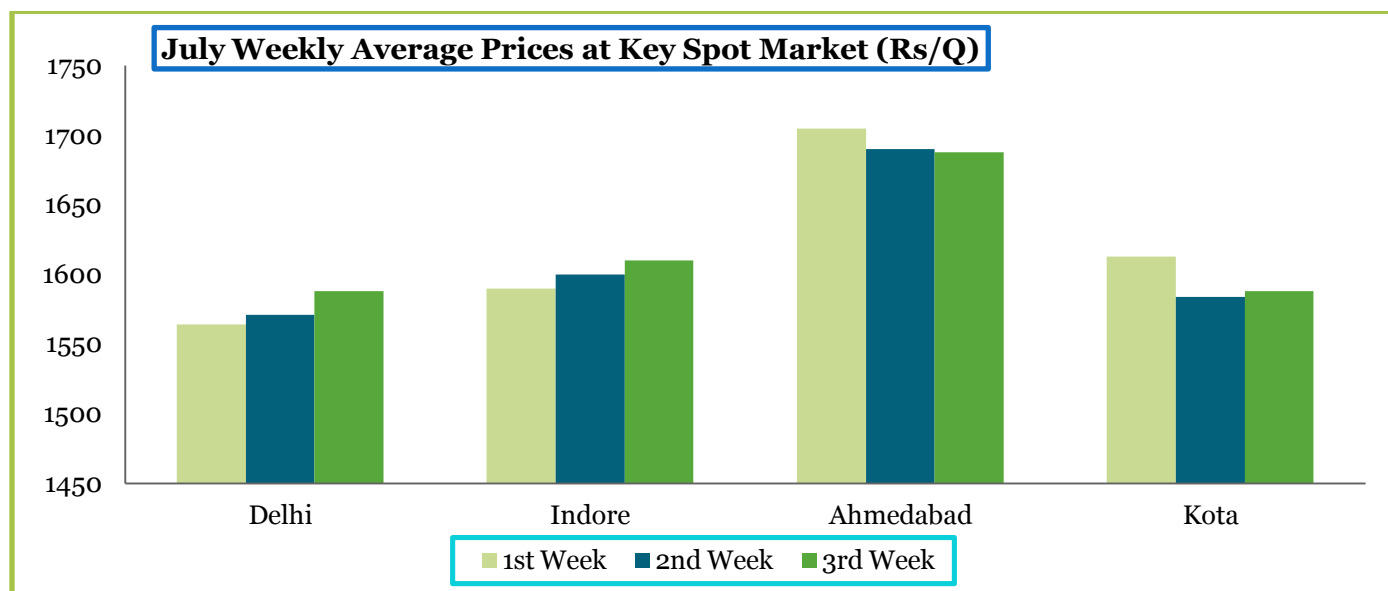
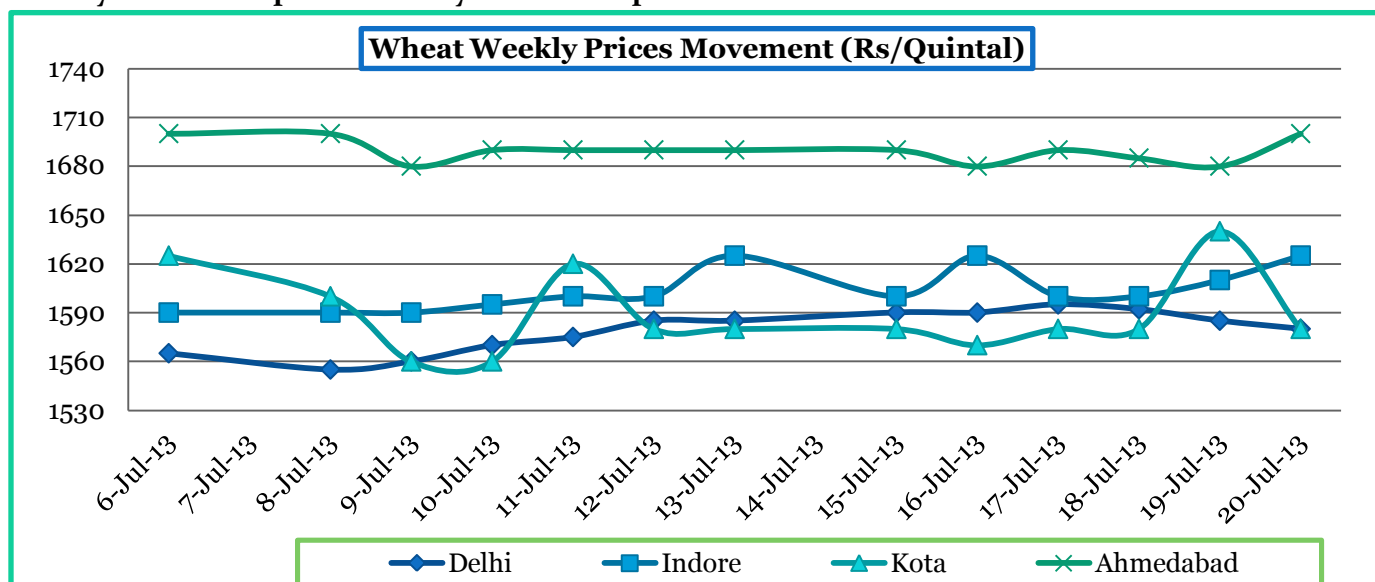
### ***Weather Watch: (Source-IMD)***

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 20 <sup>th</sup> July, 2013			
Region	Actual	Normal	% Departure from LPA
East and North East India	414.60	640.70	-35%
North West India	273.60	203.70	34%
Central India	523.00	369.90	41%
South Peninsula	395.70	297.10	33%
<b>All India</b>	<b>404.10</b>	<b>347.70</b>	<b>16%</b>

### ***Weather Outlook for 24-31 July 2013:***

- Rainfall would occur at most places over along west coast and central India, Western Himalayan region, Indo-Gangetic plains, Odisha, West Madhya Pradesh, East Rajasthan, Gujarat region, Sub-Himalayan West Bengal & Sikkim and northeastern states

### 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

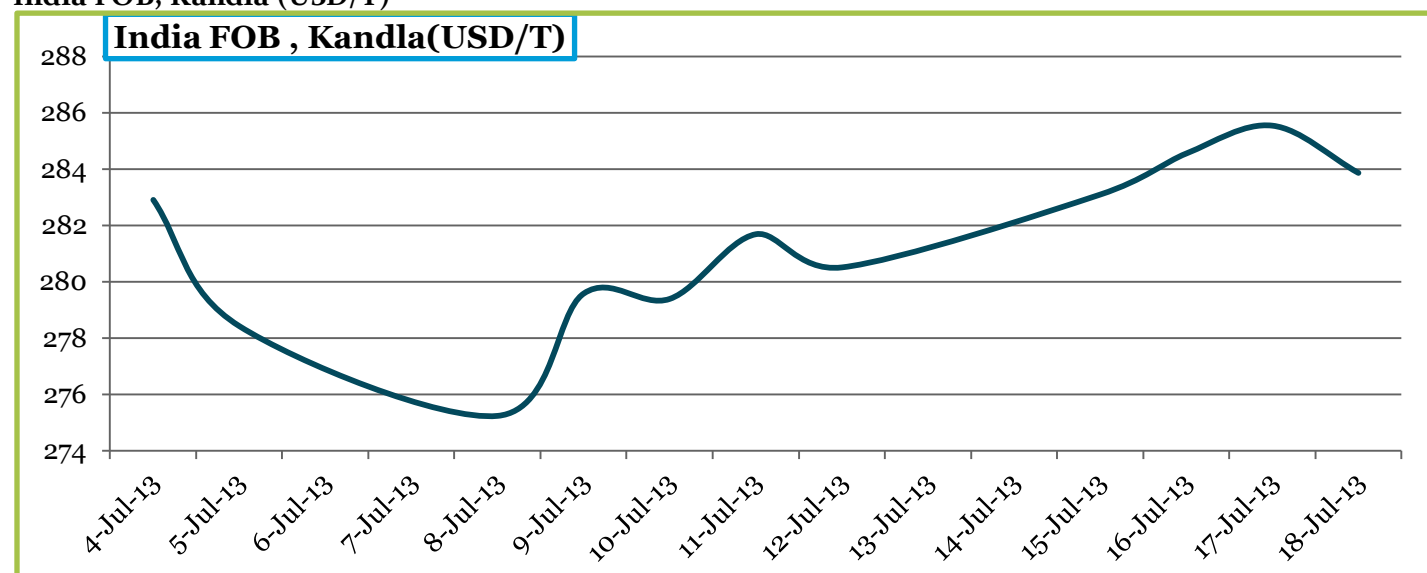
(Figures in Lakh Tonnes)

**FOB Value as on 20.07.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15600	15250	15100	15600	14450	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)	16800	16900	17500	17550	16500	15200	19100
Indian FOB (USD/MT)	<b>280.98</b>	<b>282.66</b>	<b>292.69</b>	<b>293.53</b>	<b>275.97</b>	<b>254.22</b>	<b>319.45</b>
Insurance @ 0.1%	0.28	0.28	0.29	0.29	0.28	0.25	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	299	301	311	312	294	272	337
INR	59.79	59.79	59.79	59.79	59.79	59.79	59.79
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>-28</b>	<b>-30</b>	<b>-40</b>	<b>-41</b>	<b>-23</b>	<b>-2</b>	<b>-67</b>

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

	20 July, 2013	Week ago 13 July 13	Month ago 20 June 13	Year ago 20 July 2012	Change over previous Year %
<b>Indore</b>	1603	1603	1600	1323	<b>21.16</b>
<b>Bareilly</b>	1585	1580	1600	1305	<b>21.46</b>
<b>Delhi</b>	1585	1584	1588	1273	<b>24.51</b>
<b>Khanna</b>	1679	1701	1651	1397.15	<b>20.17</b>
<b>Kanpur</b>	1560	1555	1545	1200	<b>30.00</b>
<b>Karnal</b>	1480	1478	1485	1379	<b>07.32</b>
<b>Rajkot</b>	1611	1625	1625	1370	<b>17.59</b>
<b>Kota</b>	1619	1618	1639	1488	<b>08.80</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
			<b>22.07.2013</b>	<b>15.07.2013</b>	
Delhi					
	Lawrence Road	Mill Quality	1580	1585	-5
	Nazafgarh	Mill Delivery Loose	1510	1500	10
	Narella	Mill Delivery Loose	1515	1515	Unch
Gujarat	Rajkot	Mill Delivery	1610	1600	10
	Ahmadabad	Mill Delivery	1700	1690	10
M.P.	Bhopal	Mill Quality Loose	1500	1450	50
	Indore	Mill Delivery	1625	1625	Unch
Rajasthan	Kota	Mill Quality	1520	1515	5
U.P.	Mathura	Mill Quality Loose	1445	1440	5
Punjab	Khanna	Mill Quality Loose	1470	1485	-15
Haryana	Sirsa	Mill Delivery loose	1465	1460	5

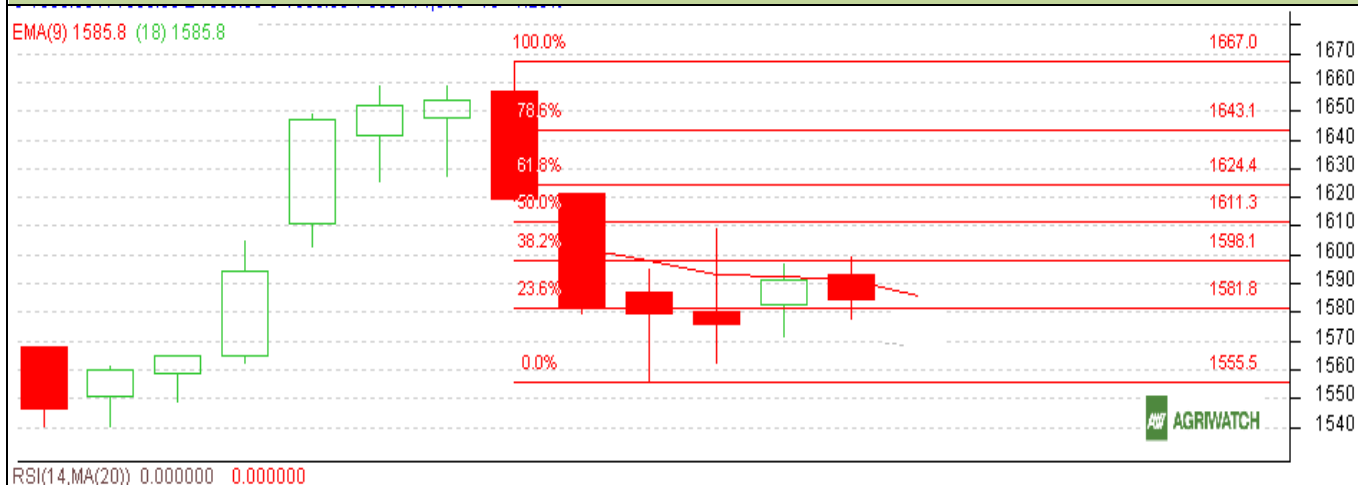
**Wheat Progressive Procurement:**

All figures in Lakh Tonnes		As on 22.07		
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	108.88	128.26	<b>-15.11</b>
Haryana	86.65	58.73	86.66	<b>-32.23</b>
U.P	50.63	6.83	50.63	<b>-86.51</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	0.17	10.42	<b>-98.37</b>
<b>All India</b>	<b>381.48</b>	<b>250.84</b>	<b>379.29</b>	<b>-33.87</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 fall in price indicates Short covering.
- Prices closed below 9days EMA.

**Strategy: Sell near entry level**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	August	1555	1560	1584	1612	1624
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	August	<b>Sell</b>	Below 1580	1568	1563	1588

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

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

### International Market Updates:

**Argentina is expected to harvest 12 million tonnes of wheat** this year as compared to previous year 9 million tonnes, an increase of 33% owing to better weather condition. Recently prices have surged for wheat due to lower availability of stock in domestic market.

**Canadian agriculture department is estimating this** year's all wheat at 29.2 million tonnes which is 200,000 tonnes lower than previous estimate but 7% more than previous year production. Traders/Analyst sees all wheat production at 29.7 million tonnes.

**EU-28 soft wheat production is forecasted at 133.4** million tonnes, 1.9 million tonnes more than previous estimate by French analyst Strategie Grains. Wheat production is expected to increase due to favourable growing condition in most of the region.

**China's winter wheat crop which was damaged by** rain has degraded 15-20 million tonnes milling wheat to feed wheat. China's wheat import estimates are ranging from 9-12 million tonnes for 2013-14. Some importers are looking for Australian 500,000 MT milling wheat for March 2013- April 2014 delivery. This may derive global wheat prices up.

**Argentina has planted wheat in 82.9% of 3.9** million hectare which is 3.2 million hectares. North East and North West regions have finished planting.

**Traders and Analyst are estimating Canada's** wheat crop at 29.4 million tonnes almost 9% more than previous year and highest since 1996. Weather remains favorable for wheat development.

**Russia has harvested 20.9 million tonnes** wheat as on July 19 at an average yield of 3.23MT/ hectare as compared to previous year yield of 2.55MT/ hectare as per Russian agriculture ministry.

**2013 wheat harvest in Russia's** largest Black Sea farm region of Krasnodar has been completed. Krasnodar region, the key region for wheat export has harvested 7.1 million tonnes of winter wheat, up from 3.4 million last year, Yields were reported at 5.2MT/ hectare, up from 4.2 last year.

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	18.07.13	Week Ago 04.07.13	Month Ago (June)	3 Months Ago (Apr)	Year Ago (July)
USA (Gulf)	SRW 2	-22.83	264.00	275.30	282.20	286.60	342.10
France	FCW3	-20.98	256.80	259.80	263.40	323.90	325.00
United Kingdom	Feed wheat	-14.46	254.90	274.20	254.70	300.10	298.00
Australia	CWRS	4.61	357.99	359.24	362.46	302.06	342.20
Russia	SRW	-15.90	246.00	252.50	257.50	272.50	292.50
Ukraine	SRW	-16.38	242.50	250.00	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 along with encouraging yield reports has pressurized the market.

## CBOT FUTURES CONTRACT:

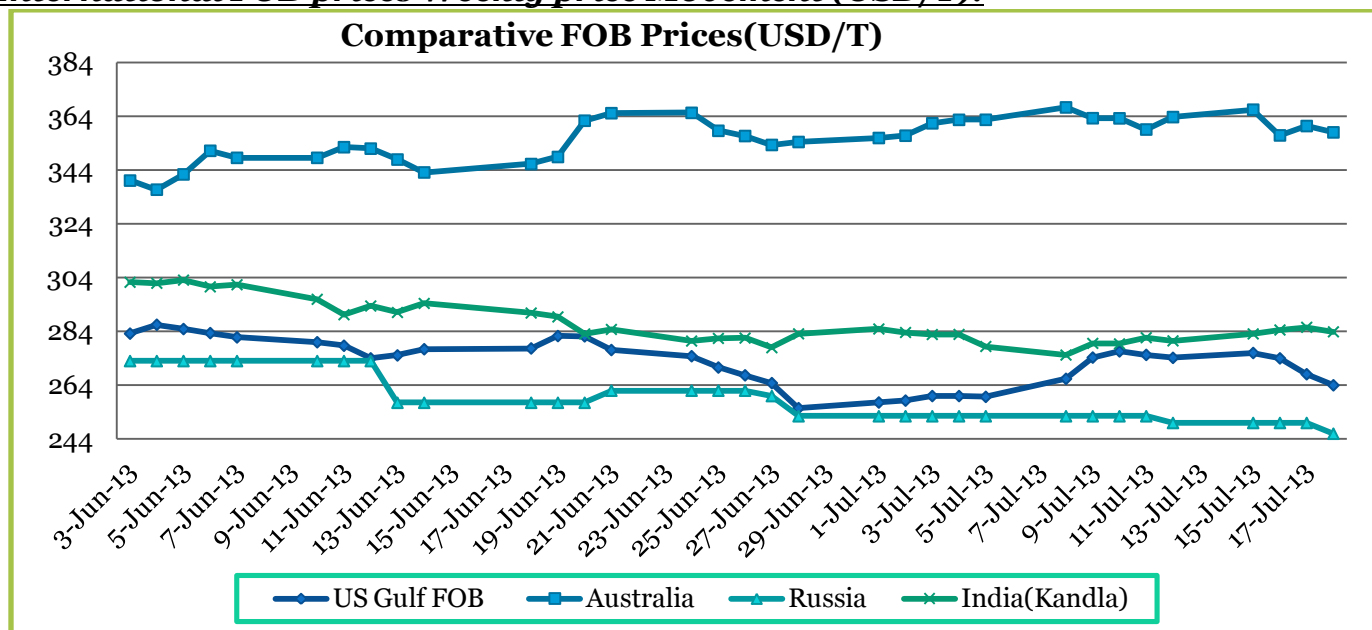
CBOT Futures Prices: Date: 19.07.13 (USD/T)							
CONTRACT MONTH	19 July 13	Week ago (12 July 2013)	1 Month ago (19 June 13)	3 Month ago (19 Apr 13)	6 Month ago (18 Jan 13)	1 Year ago (19 July 12)	% Change over previous year
13-Jul	244.14	250.20	262.42	263.79	298.88	299.80	-18.57
13-Sep	248.09	254.88	267.10	268.75	299.52	302.74	-18.05
13-Dec	251.85	259.20	272.24	273.53	307.97	304.02	-17.16
14-Mar	254.42	261.86	276.01	275.09	308.62	298.79	-14.85
14-May	253.69	260.58	278.21	275.09	301.18	268.66	-5.57
14-Jul	256.72	262.42	280.42	276.65	303.66	268.66	-4.44

## CBOT September 13 weekly Future Chart:





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



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

**Canada-** In south eastern Canada dry and sunny weather conditions are helping maturation of wheat. In winter wheat growing region rain disturbed the harvesting campaign.

**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-** Below normal rainfall was recorded in Western Australia ranging from 5-25 mm during the week under review. Sunny weather helped in growth of wheat in South Australia and Victoria region.

**USA-** In major 18 wheat growing states, 67% of this year's winter wheat crop was harvested by July 14 and 14% points behind last year and 4 points behind the 5-year average.

**Russia and Ukraine** –High pressure area over central Russia maintained hot weather (32-37°C) from eastern Ukraine into central and southern Russia; the heat further stressed and lowered yield prospects for heading 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 has pressurized market. However expected increase in demand from China and Egypt might support prices in near term.

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