

### Domestic Market Updates:

**Weak demand and lackluster trade has resulted in** steady to weak market. No export demand has reported as international wheat prices are lower than Indian wheat prices, which has resulted in more availability of wheat in domestic market, resulting in bearish pressure.

**As on 22<sup>nd</sup> July government has procured 250.84 lakh** tonnes of wheat against 379.29 lakh tonnes at the same time previous year. Procurement has fallen by 34% this year due to lower production, higher purchases by private traders and holding of crop by farmers.

**South Indian millers are buying wheat from U.P, M.P and Rajasthan** at Rs 1800-1840/Q, Mill Delivered. Millers are buying from Private traders as it is cheaper by Rs 30-50/Q along with credit facility. Normal demand is seen in the market and market is likely to trade steady as of now.

**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.

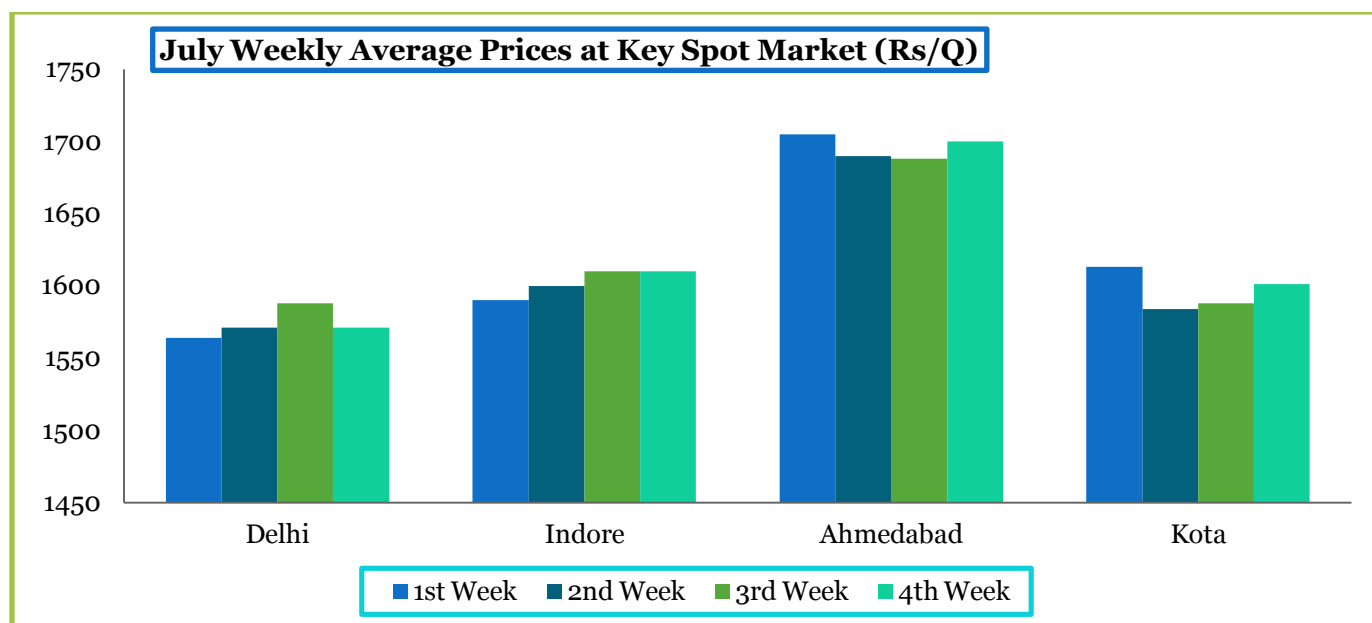
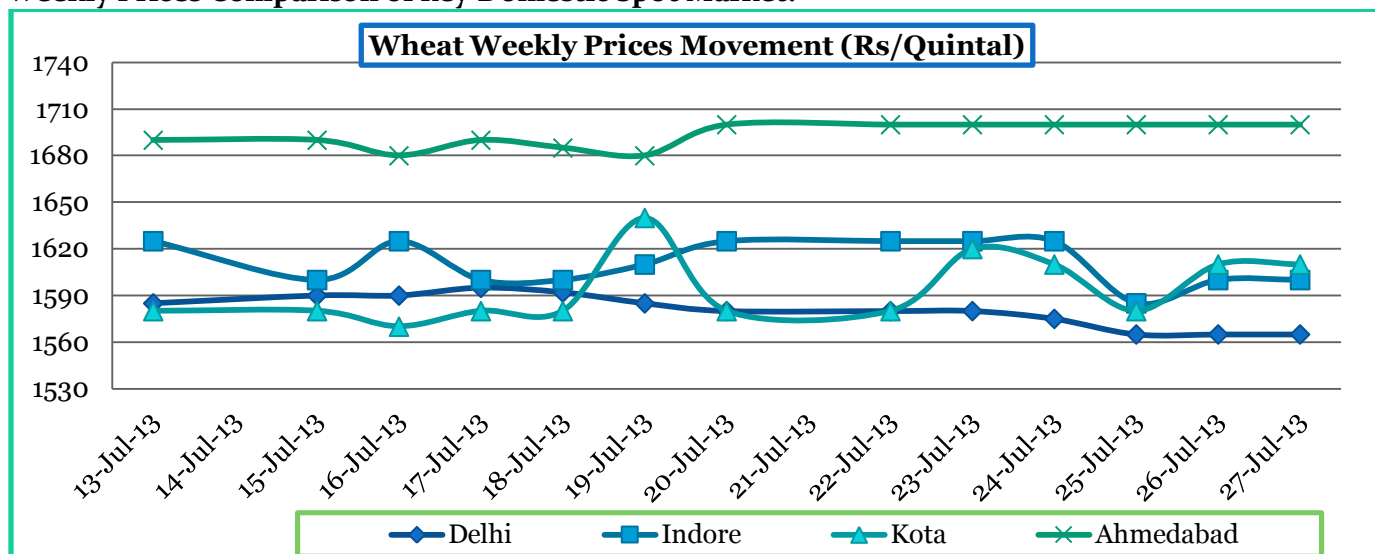
### ***Weather Watch: (Source-IMD)***

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 29 <sup>th</sup> July, 2013			
Region	Actual	Normal	% Departure from LPA
East and North East India	484.10	736.00	-34%
North West India	329.00	258.00	28%
Central India	646.10	444.00	46%
South Peninsula	460.70	350.50	31%
<b>All India</b>	<b>486.40</b>	<b>415.00</b>	<b>17%</b>

### ***Weather Outlook for 31 July to 4 August 2013:***

Rainfall would occur at most places along west coast and western Himalayan region. Rainfall would occur at many places over Punjab, Haryana, Himachal Pradesh, Uttrakhand, Uttar Pradesh, eastern & northeastern states and adjoining central India.

## Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat market has been trading almost steady owing to sluggish demand and lower exports have increased the availability of wheat in open market.

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

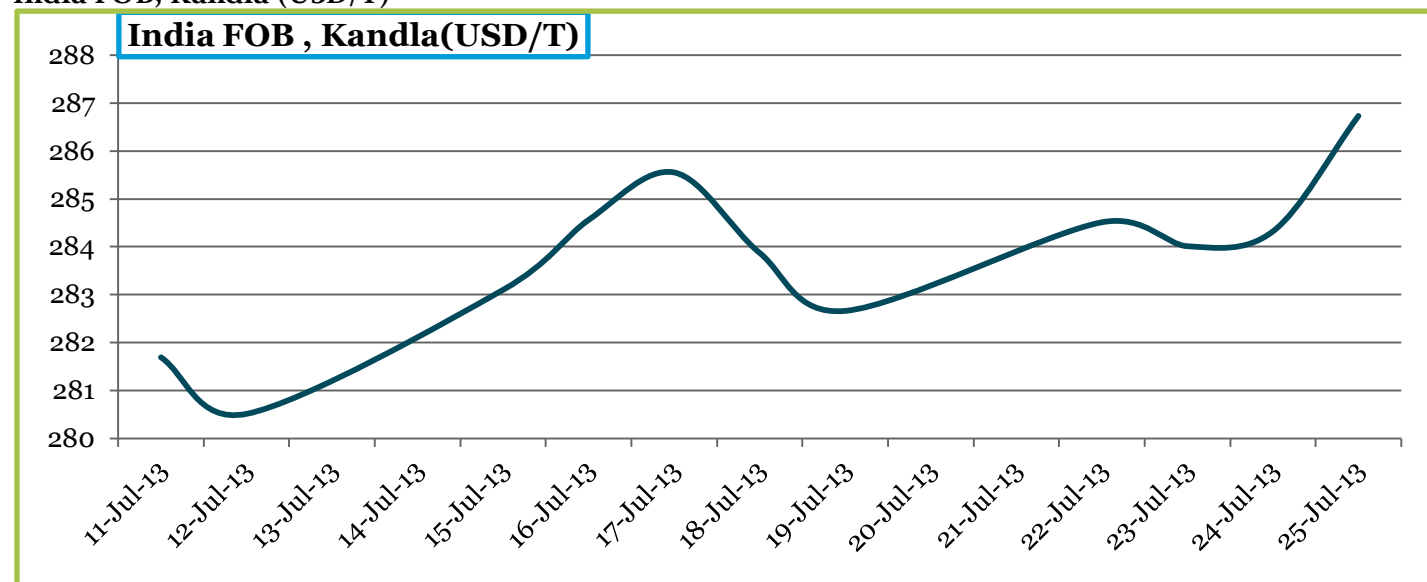
(Figures in Lakh Tonnes)

**FOB Value as on 27.07.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15600	15200	14900	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)	16800	16850	17300	17450	16550	15200	19100
Indian FOB (USD/MT)	<b>285.18</b>	<b>286.03</b>	<b>293.67</b>	<b>296.21</b>	<b>280.94</b>	<b>258.02</b>	<b>324.22</b>
Insurance @ 0.1%	0.29	0.29	0.29	0.30	0.28	0.26	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	303	304	312	314	299	276	342
INR	58.91	58.91	58.91	58.91	58.91	58.91	58.91
Russian Wheat FOB (USD/MT)	<b>244</b>	<b>244</b>	<b>244</b>	<b>244</b>	<b>244</b>	<b>244</b>	<b>244</b>
Parity on FOB Basis (USD/MT)	<b>-41</b>	<b>-42</b>	<b>-50</b>	<b>-52</b>	<b>-37</b>	<b>-14</b>	<b>-80</b>

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

	27 July, 2013	Week ago 20 July 13	Month ago 27 June 13	Year ago 27 July 2012	Change over previous Year %
<b>Indore</b>	1568	1603	1578	1454	<b>7.84</b>
<b>Bareilly</b>	1538	1585	1590	1450	<b>6.07</b>
<b>Delhi</b>	1570	1585	1580	1338	<b>17.34</b>
<b>Khanna</b>	1679	1679	1701	1414	<b>18.74</b>
<b>Kanpur</b>	1530	1560	NA	1390	<b>10.07</b>
<b>Karnal</b>	1495	1480	1478	1398	<b>6.94</b>
<b>Rajkot</b>	1618	1611	1598	1511	<b>7.08</b>
<b>Kota</b>	1596	1619	1623	1550	<b>2.97</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
			29.07.2013	22.07.2013	
Delhi	Lawrence Road	Mill Quality	1565	1580	-15
	Nazafgarh	Mill Delivery Loose	1500	1510	-10
	Narella	Mill Delivery Loose	1490	1515	-25
Gujarat	Rajkot	Mill Delivery	1650	1610	40
	Ahmadabad	Mill Delivery	1700	1700	Unch
M.P.	Bhopal	Mill Quality Loose	1470	1500	-30
	Indore	Mill Delivery	1600	1625	-25
Rajasthan	Kota	Mill Quality	1520	1520	Unch
U.P.	Mathura	Mill Quality Loose	1435	1445	-10
Punjab	Khanna	Mill Quality Loose	1460	1470	-10
Haryana	Sirsa	Mill Delivery loose	1465	1465	Unch

**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 downward movement in the market.
- Fall in OI and price indicates Long Liquidation
- Prices closed below 9days EMA.

**Strategy: Sell near entry level**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	August	1544	1548	1568	1600	1612
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	August	<b>Sell</b>	Below 1572	1558	1551	1579

\*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:

**As on 26th July Russia has harvested 27.4 million tonnes** of wheat at an average yield of 3.08T/H as compared to 2.48T/H previous year during same time. Ukraine has harvested around 18 million tonnes of winter and spring wheat as on 25th July and is expected to harvest around 21 million tonnes of winter wheat only this season. France has harvested 14% of wheat crop as on 12th July which is 6% point behind previous year.

**Egypt GASC has bought 240,000 MT of Russian**, Ukrainian and Romanian wheat for September shipment. 120,000 tonnes of Romanian wheat was bought at USD 252.12/T, 60,000 MT of Ukrainian wheat was bought at USD 252.25/T and 60,000 MT of Russian wheat was bought at USD 251.92/MT.

**Iraq government has bought 50,000 MT of Australian** origin wheat at USD 360.36/MT, CNF. The lowest offer was made for Russian wheat at USD 302/MT, CNF but no purchases was made as Iraq needs Australian wheat for blending purpose to maintain correct flour grade.

**IKAR is expected Russia to export 1.2 million tonnes** of wheat in July in its latest estimate as compared to previous estimate of 1 million tonnes. As per reports Russia has already exported 70 lakh tonnes of wheat from 1-20 July 2013.

**South Korean firm NOFI has bought 60,000 MT feed** wheat from Black sea region at USD 263.88/MT CNF, from Quadra commodities to be delivered by 25 November 2013.

**Olam International has offered wheat at USD 310.8/T**, CIF in a tender issued by Bangladesh government for 50,000 MT.

**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.

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	25.07.13	Week Ago 18.07.13	Month Ago (June)	3 Months Ago (Apr)	Year Ago (July)
USA (Gulf)	SRW 2	<b>-22.51</b>	262.70	264.00	270.60	292.90	339.00
France	FCW3	<b>-20.22</b>	252.10	256.80	258.40	329.20	316.00
United Kingdom	Feed wheat	<b>-13.14</b>	249.30	254.90	247.90	298.60	287.00
Australia	CWRS	<b>6.18</b>	361.02	357.99	358.58	302.50	340.00
Russia	SRW	<b>-16.24</b>	245.00	246.00	257.50	270.00	292.50
Ukraine	SRW	<b>-16.72</b>	241.50	242.50	262.50	267.50	290.00
Argentina	SRW	<b>-17.19</b>	265.00	273.00	277.00	315.00	320.00

Global wheat market is expected to trade weak on 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.

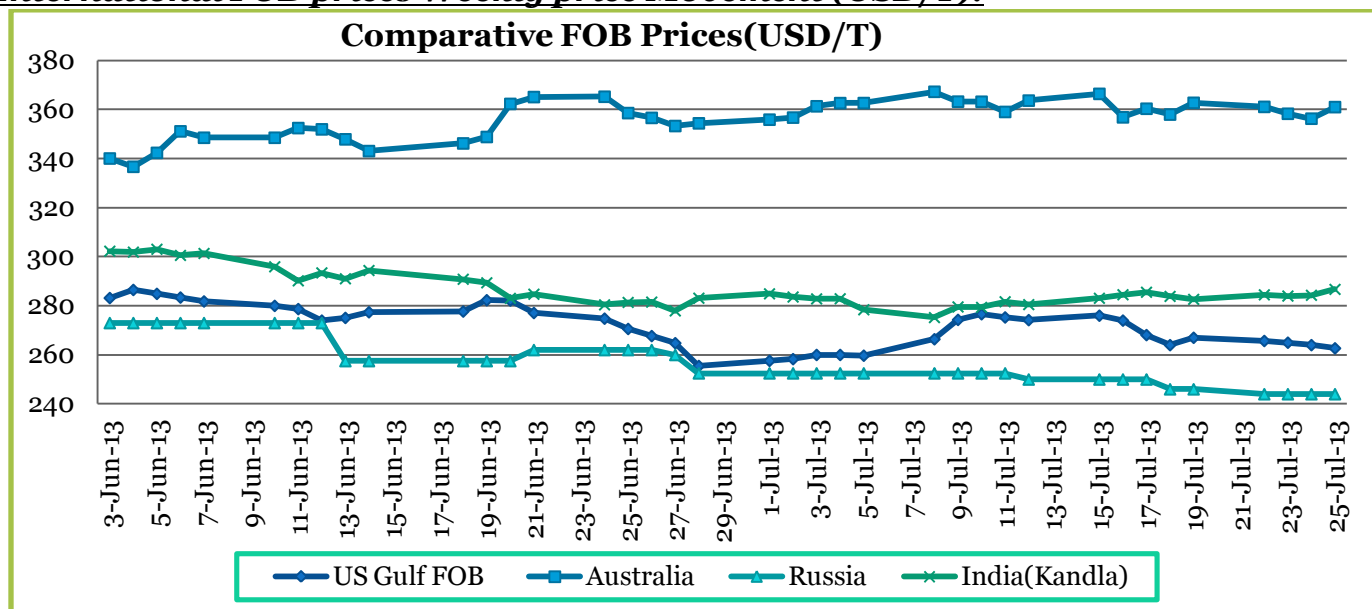
## CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 26.07.13 (USD/T)							
CONTRACT MONTH	26 July 13	Week ago (19 July 2013)	1 Month ago (26 June 13)	3 Month ago (26 Apr 13)	6 Month ago (28 Jan 13)	1 Year ago (26 July 12)	% Change over previous year
13-Jul	238.90	244.14	248.73	257.55	294.29	296.31	<b>-19.37</b>
13-Sep	243.04	248.09	254.33	262.97	299.16	299.89	<b>-18.96</b>
13-Dec	246.71	250.75	259.57	267.83	303.56	301.64	<b>-18.21</b>
14-Mar	249.01	254.42	263.06	269.76	303.93	296.40	<b>-15.99</b>
14-May	247.81	253.69	264.53	270.96	297.41	273.16	<b>-9.28</b>
14-Jul	250.38	256.72	266.73	272.98	299.80	273.16	<b>-8.34</b>

## 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 in harvesting of winter wheat.

**Australia-** Showers continue in Western Australian wheat belt providing topsoil moisture to wheat crop. In New South Wales, southern Queensland and Victoria rains ranging from 10-50 mm helped in establishment of wheat crop.

**Argentina-** Light rainfall was recorded in southern wheat belt providing much needed moisture for emerging wheat.

**USA-** By 21 July 75% of this year's winter wheat crop was harvested and 9% points behind last year and slightly behind the 5-year average.

**Russia and Ukraine** –An area of high pressure over southern Russia maintained hot weather (30-36°C) from eastern Ukraine into Russia's Southern District, accelerating small grain dry down and harvesting.

### **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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