

Domestic Market Updates:

Wheat prices have fallen recently due to sluggish domestic demand and almost no export demand. Traders say prices are expected to fall further in week ahead as farmers are increasing supply in fear of falling prices. 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.

Bangladeshi traders has bought around 40,000 MT Indian wheat of Eastern Uttar Pradesh region at USD 290/MT, FOR. Wheat first will be sent to Kolkata and then transported to Bangladesh by road. Feed wheat buyers of Thailand are replacing Indian and Australian wheat with Black sea region wheat.

Traders from Karnal, Kosi, Kota and Rajkot has revealed that wheat prices may further fall as implementation of food security bill will divert some quantity to open market through illegal channels, which will increase availability at lower prices resulting in weak market.

As on 22nd 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.

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.

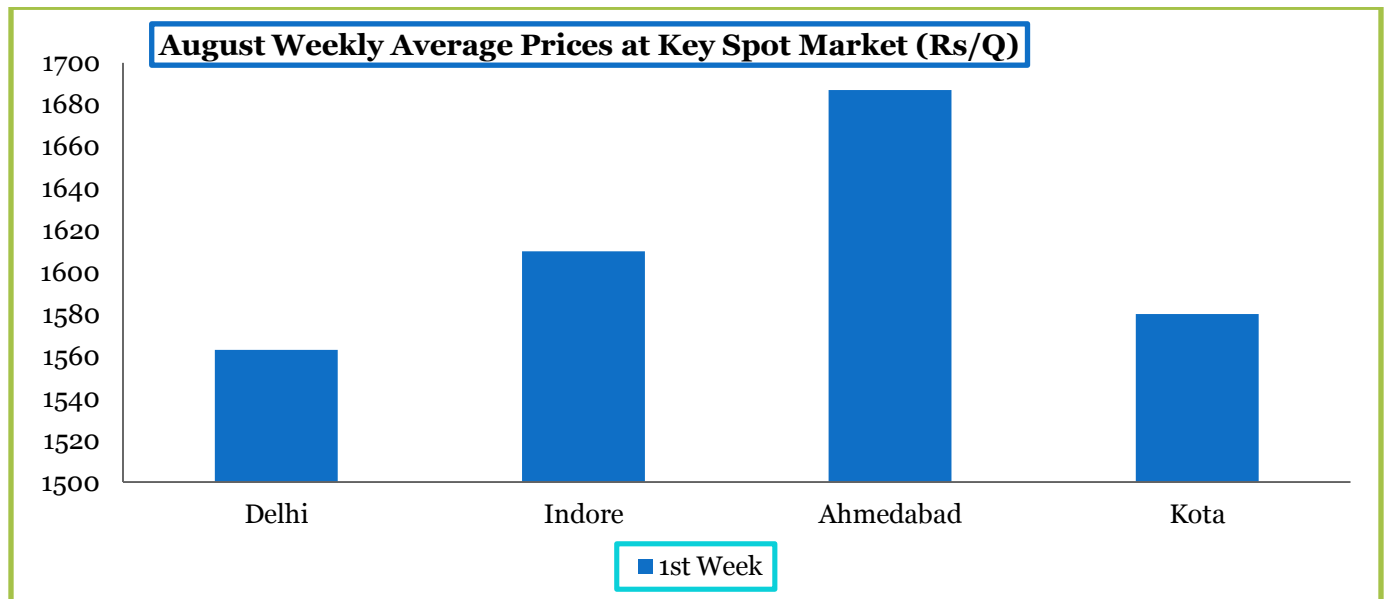
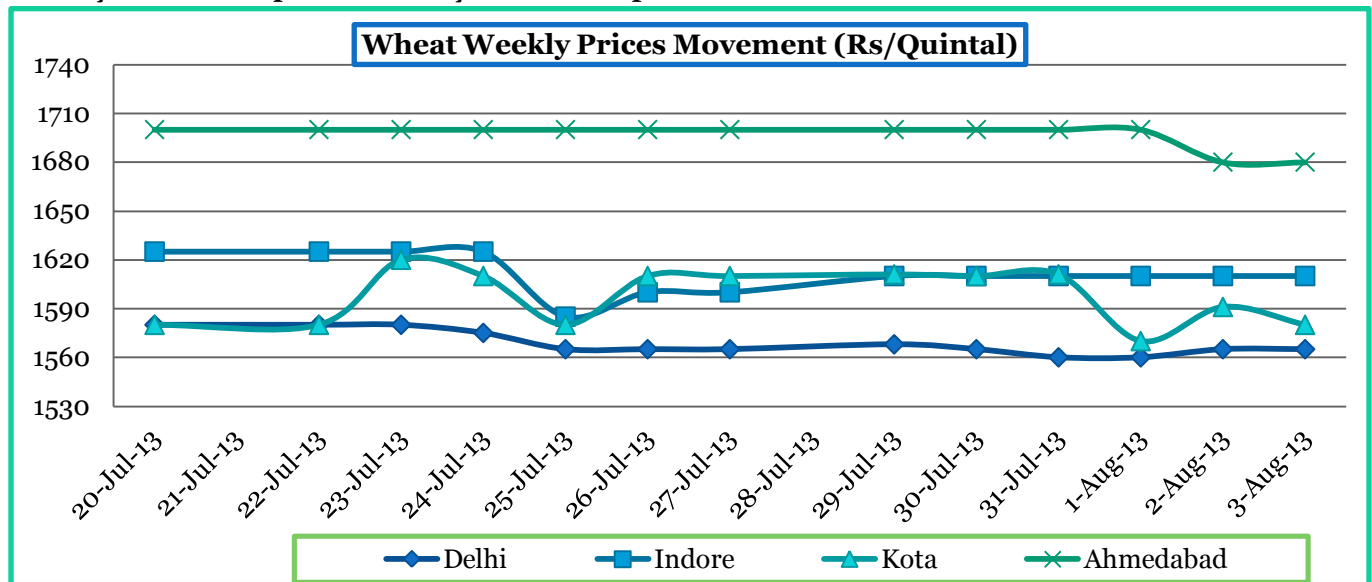
Weather Watch: (Source-IMD)

Seasonal rainfall (in mm) from 1 st June to 3 rd August, 2013			
Region	Actual	Normal	% Departure from LPA
All India	561.60	480.80	17%
East and North East India	538.00	822.90	-35%
North West India	380.80	312.20	22%
Central India	769.00	521.40	47%
South Peninsula	508.40	397.70	28%

Weather Outlook for 7 August to 11 August 2013:

Rainfall would occur at many places over western Himalayan region, Uttar Pradesh, west coast, central, east and northeast India and at few places over Punjab, Haryana, east Rajasthan and rest Maharashtra

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
TOTAL	733.66	5.39	739.05
COARSE GRAINS	0.39	0.00	0.39
SUGAR	0.05	0.00	0.05
GRAND TOTAL	734.10	5.39	739.49

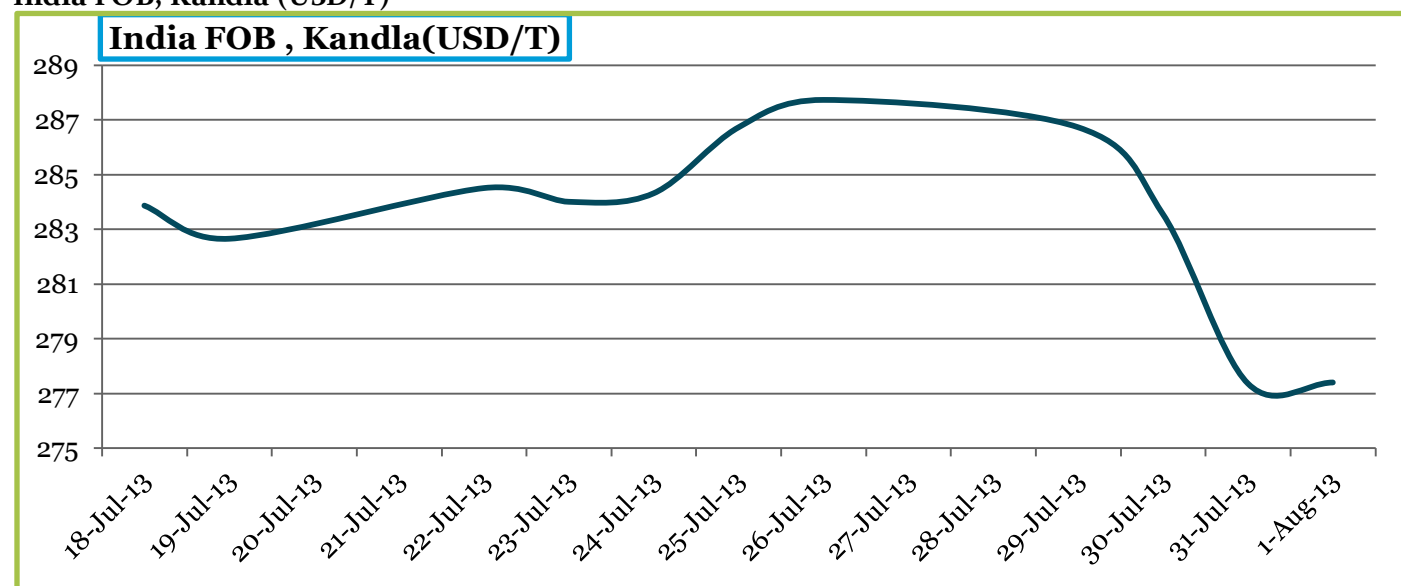
(Figures in Lakh Tonnes)

FOB Value as on 03.08.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15600	14900	14900	15750	14350	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	16550	17300	17700	16400	15200	19100
Indian FOB (USD/MT)	276.32	272.20	284.54	291.12	269.74	250.00	314.14
Insurance @ 0.1%	0.28	0.27	0.28	0.29	0.27	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	294	290	303	309	288	268	332
INR	60.8	60.8	60.8	60.8	60.8	60.8	60.8
Russian Wheat FOB (USD/MT)	245	245	245	245	245	245	245
Parity on FOB Basis (USD/MT)	-31	-27	-40	-46	-25	-5	-69

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

	03 Aug, 2013	Week ago 27 July 13	Month ago 03 July 13	Year ago 03 Aug 2012	Change over previous Year %
Indore	1578	1568	1573	1488	6.01
Bareilly	1555	1538	1575	1450	7.24
Delhi	1566	1570	1568	1394.1	12.33
Khanna	1679	1679	1702	1419.25	18.29
Kanpur	1515	1530	1550	1400	8.21
Karnal	1485	1495	1475	1340	10.82
Rajkot	1620	1618	1611	1527	6.09
Kota	1613	1596	1633	1619	-0.40

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	6.72	303.06	256.85
May-13*	6.88	309.11	258.13
June-13*	5.91	291.51	252.7
Total 13-14	19.52	301.23	255.89

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

Domestic Key Spot Market Price Comparison:

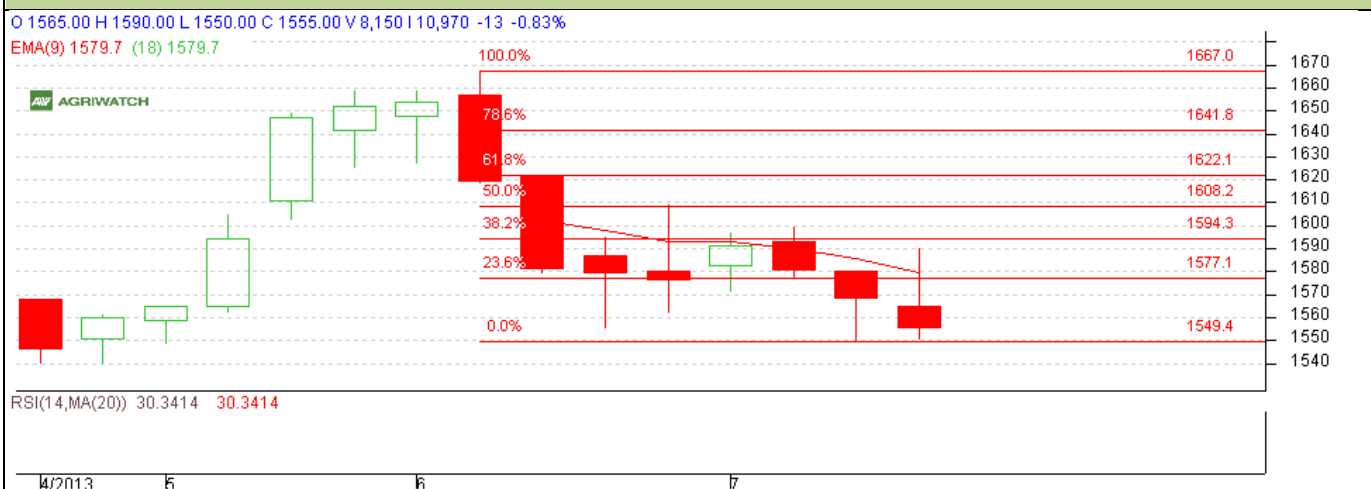
Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			03.08.2013	27.07.2013	
	Lawrence Road	Mill Quality	1565	1565	Unch
	Nazafgarh	Mill Delivery Loose	1500	1500	Unch
	Narella	Mill Delivery Loose	-	1490	-
Gujarat	Rajkot	Mill Delivery	1625	1650	-25
	Ahmadabad	Mill Delivery	1680	1700	-20
M.P.	Bhopal	Mill Quality Loose	1500	1470	30
	Indore	Mill Delivery	1610	1600	10
Rajasthan	Kota	Mill Quality	1490	1520	-30
U.P.	Mathura	Mill Quality Loose	1435	1435	Unch
Punjab	Khanna	Mill Quality Loose	1466	1460	6
Haryana	Sirsa	Mill Delivery loose	1450	1465	-15

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	-15.11
Haryana	86.65	58.73	86.66	-32.23
U.P	50.63	6.83	50.63	-86.51
M.P	84.93	63.55	85.06	-25.29
Rajasthan	19.64	12.68	18.26	-30.56
Other	11.29	0.17	10.42	-98.37
All India	381.48	250.84	379.29	-33.87

Commodity: Wheat
Contract: August

Exchange: NCDEX
Expiry: 20th 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	-	1540	1557	1577	1594
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	August	Sell	Below 1565	1552	1545	1571

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

Domestic Weekly Outlook: Market is likely to trade steady to slightly weak.

International Market Updates:

Russia has harvested around 30 million tonnes so far and it is expected to harvest 51 million tonnes wheat this year. In August Russia may export 2.5 million tonnes wheat up from July's 1.7 million tonnes. Ukraine has harvested 20.94 million tonnes wheat so far at an average yield of 3.41 T/Hectares.

As per IGC latest report global wheat production is expected to rise to 687 million tonnes from 683 million tonnes in 2013-14 due to favorable reports from black sea region and Australia. Global trade has been increased by 1 million tonnes to 139 million tonnes as quality concern over Chinese wheat crop may result in higher imports.

Global carryover stocks are expected to fall by 5 million tonnes to 176 million tonnes due to increase on consumption. Global wheat consumption is expected to increase to 686 million tonnes from 682 million tonnes.

Pakistan may import 0.8-1 million tonnes of wheat this year, which will be the highest import quantity in past 5 years due to lower production. Domestic prices have risen to USD 350/MT, while imported wheat will cost around USD 300/MT. Traders have already contracted for 2.5 Lakh tonnes of wheat to be sourced from Black sea region.

Egypt has bought 120,000 MT of Ukrainian wheat for USD 252.50/MT, FOB from Etihad and 120,000 MT of Romanian wheat for USD 252.34/MT, FOB for 11-20 September delivery.

99% of the planted US spring wheat has headed so far ahead of 5 year average of 95%. Around 81% of the US winter wheat has been harvested against 86% last year at the same time and slightly ahead of 5 year average.

China has imported 1.5 million tonnes of Australian wheat in past 6 weeks as 16% of China's domestic crop is considered unfit for human consumption due to wet weather. China is expected to import 3-4 million tonnes of wheat from Australia this year and overall 8.5 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	
						01.07.2013	01.08.2013
Production	685	679	653	695	654	683	687
Trade	137	128	126	145	140	138	139
Consumption	645	652	657	692	673	682	686
Carryover stocks	173	199	194	198	175	181	176
Y-O-Y change	41	27	-4	3	-19	6	1
Major Exporters	69	79	74	70	49	53	50

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	01.08.13	Week Ago 25.07.13	Month Ago (July)	3 Months Ago (May)	Year Ago (Aug)
USA (Gulf)	SRW 2	-17.85	275.20	262.70	257.60	295.50	335.00
France	FCW3	-21.90	247.90	252.10	256.60	322.60	317.40
United Kingdom	Feed wheat	-16.82	244.80	249.30	242.10	299.70	294.30
Australia	CWRS	6.45	373.02	361.02	355.90	313.58	350.42
Russia	SRW	-19.80	245.00	245.00	252.50	270.00	305.50
Ukraine	SRW	-20.39	242.00	241.50	250.00	267.50	304.00
Argentina	SRW	-19.21	265.00	265.00	273.00	310.00	328.00

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.

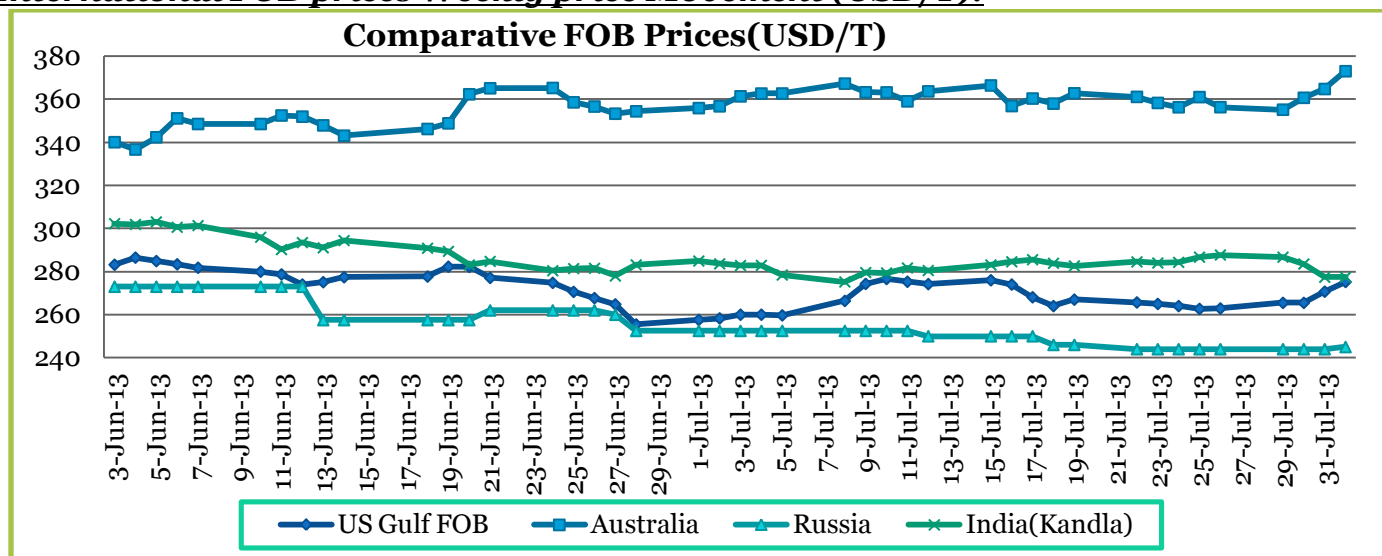
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 02.08.13 (USD/T)							
CONTRACT MONTH	2 Aug 13	Week ago (29 July 2013)	1 Month ago(2 July 13)	3 Month ago(2 May 13)	6 Month ago(4 Feb 13)	1 Year ago(2 Aug 12)	% Change over previous year
13-Jul	242.67	239.36	241.84	271.14	289.33	304.12	-20.21
13-Sep	247.26	243.68	246.62	276.38	294.75	306.23	-19.26
13-Dec	250.75	247.35	251.67	281.24	299.34	308.06	-18.60
14-Mar	252.59	249.56	255.07	282.44	299.34	302.83	-16.59
14-May	250.57	248.27	257.46	282.81	294.01	290.89	-13.86
14-Jul	252.50	250.93	260.30	283.82	296.40	290.89	-13.20

CBOT September 13 weekly Future Chart:



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



International Weather update: (Source-USDA)

Canada- Unseasonable cool weather hampered the development and growth of reproductive to filling grains as temperature recorded was 3-4 C above normal temperature.

Australia- Midweek rainfall (10-30 mm) further increased soil moisture in Western Australia, maintaining favorable conditions for wheat. Temperatures in Australia's wheat belt were generally seasonable, averaging within 1°C of normal.

Argentina- Mostly dry, unseasonably cold weather allowed fieldwork to progress, though low temperatures slowed winter grain growth. Temperatures fell below freezing on several days in most major agricultural areas,

USA- By 28 July 81% of this year's winter wheat crop was harvested and 5% points behind last year and slightly behind the 5-year average.

Russia and Ukraine –The rainfall, which totaled 10 to 60 mm in eastern Russia, further improved yield prospects for heading spring wheat. Widespread showers and thunderstorms (10-75 mm) maintained favorable yield prospects for heading to filling small grains from northern Ukraine into Russia's Volga District.

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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