

### Domestic Market Updates:

**There is a general talk in market** that government may offer some discount for selling wheat through OMSS as election are round the corner. Government would try to curb inflation within limit. Despite, lower production, overall sentiment in the market remains bearish.

**As supply side from private trades/stockiest/farmers** is adequate, off take from FCI godowns is expected to remain sluggish in the month of August. However, some incentives to bulk buyers would attract them to buy wheat from government's stock. There is a general feeling in the market that open market stock would start decreasing September onward and then higher off take from government's stock might be expected.

**Meanwhile in the latest development** the CCEA has approved the export of 2 million Tonnes of wheat from FCI godowns during the current financial year at a floor price of USD 300 per T through the public sector undertakings like PEC, MMTC and STC.

**The CCEA also approved reimbursement** of loss by the government to FCI on account of the exports calculated as the difference between the economic cost to FCI and its realization from the exporting CPSUs after deduction of their commission at the rate of 1 per cent of the FOB price and the actual port expenses.

**According to IBIS, India wheat export** is estimated at 3.03 lakh tonnes in July month as compared to 5.91 lakh tonnes. Fall in export is due to cheaper wheat available from Russia, Ukraine and US. UAE was the top market for Indian wheat in July with 70,331 MT followed by Indonesia with 69,892 MT.

**As on 1st August 2013, wheat** stock in central pool stock is reported at 403.78 lakh tonnes as compared to 475.26 lakh tonnes at the same time last year.

**In Rajasthan, traders are in no position** to lift central pool stock wheat from Punjab and Haryana as it is costing around Rs 50-70/Q more than local wheat moreover miller in Rajasthan prefer either local wheat or M.P wheat over Punjab and Haryana wheat due to quality concern.

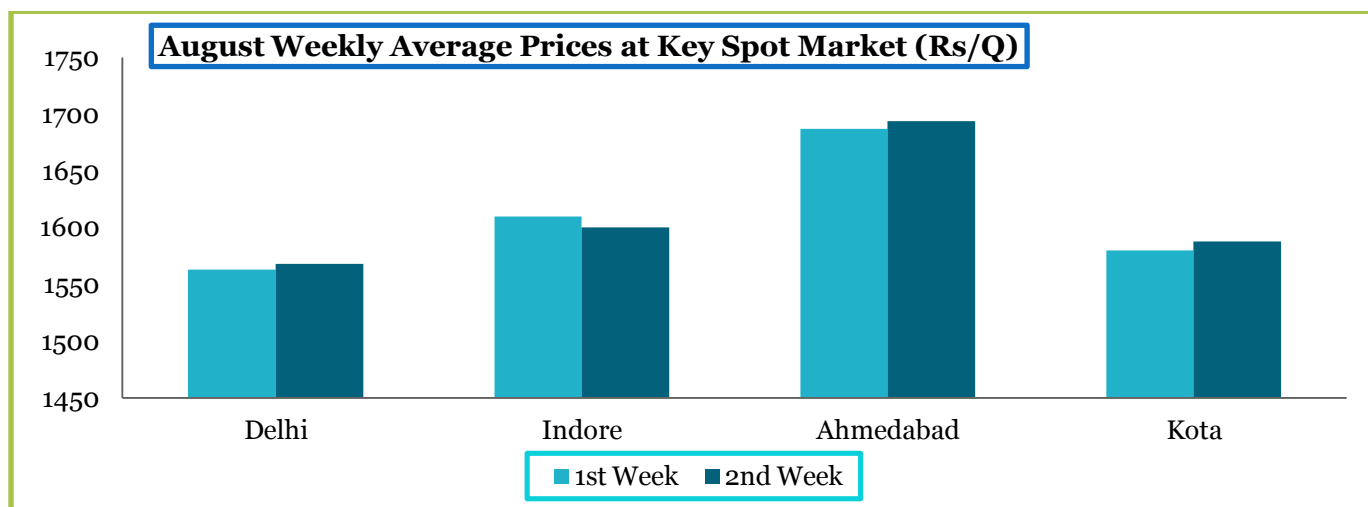
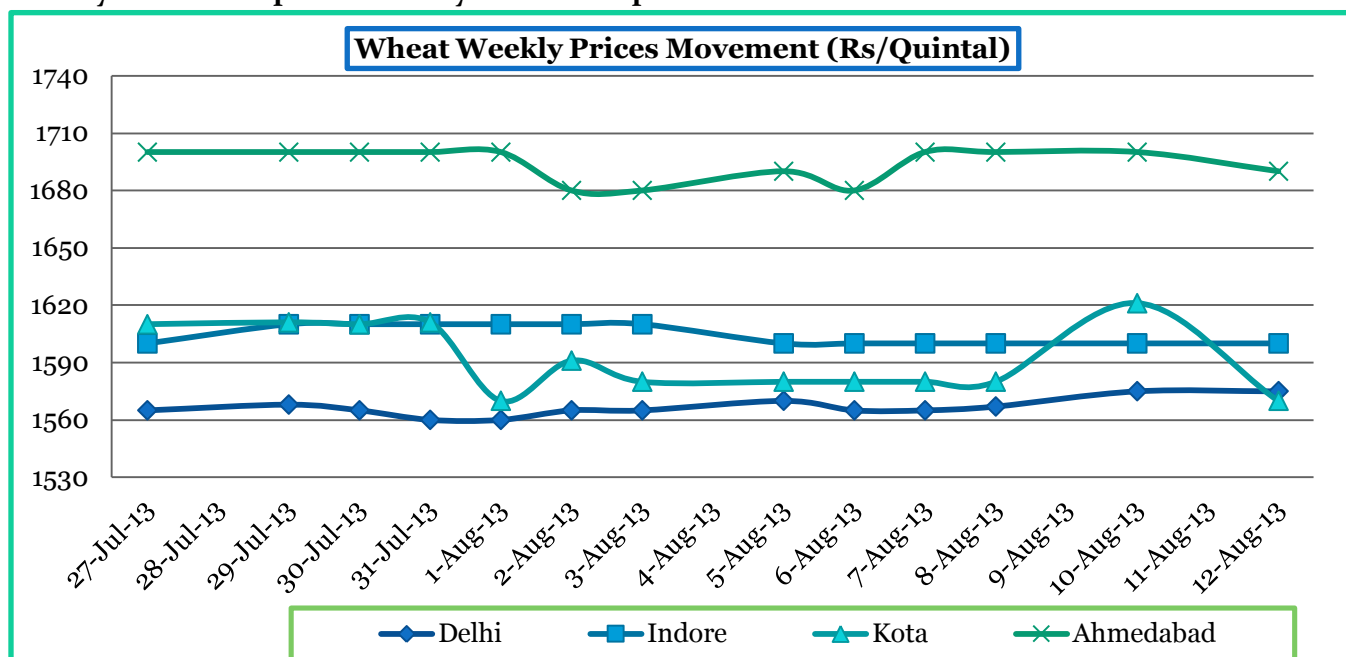
### ***Weather Watch: (Source-IMD)***

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 11 <sup>th</sup> August, 2013			
Region	Actual	Normal	% Departure from LPA
<b>All India</b>	<b>625.20</b>	<b>552.60</b>	<b>13%</b>
East and North East India	618.50	913.00	-32%
North West India	449.00	373.50	20%
Central India	831.60	608.50	37%
South Peninsula	552.50	444.70	24%

### ***Weather Outlook for 15 August to 19 August 2013:***

Rain/thundershower would occur at many places along west coast and over Sub-Himalayan West Bengal & Sikkim and northeastern states. Rain would occur at many places over western Himalayan region, Uttar Pradesh, Madhya Pradesh, Bihar and Odisha.

## Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat market traded steady to slighted form owing to fresh demand from millers ahead of festive season.

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.08.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	289.51	2.85	292.36
WHEAT	400.25	3.53	403.78
<b>TOTAL</b>	689.76	6.38	696.14
COARSE GRAINS	0.39	0.00	0.39
SUGAR	0.02	0.00	0.02
<b>GRAND TOTAL</b>	690.16	6.38	696.54

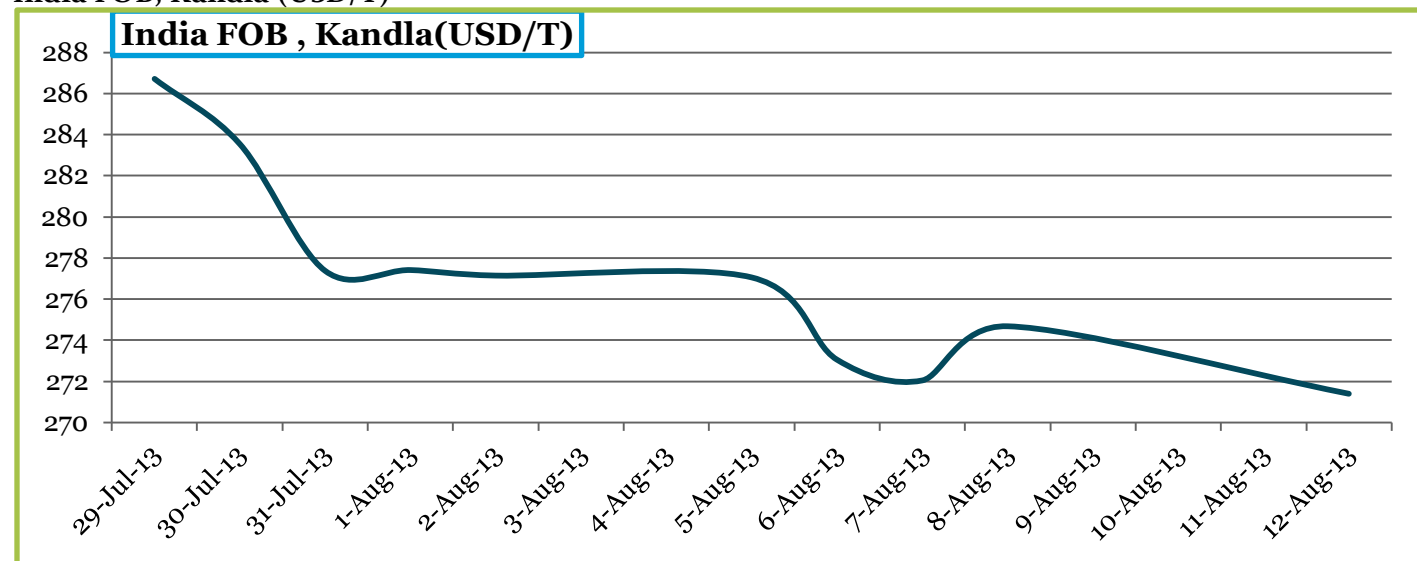
(Figures in Lakh Tonnes)

**FOB Value as on 12.08.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15400	15000	14900	15700	14700	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)	16600	16650	17300	17650	16750	15200	19100
Indian FOB (USD/MT)	<b>270.23</b>	<b>271.04</b>	<b>281.62</b>	<b>287.32</b>	<b>272.67</b>	<b>247.44</b>	<b>310.92</b>
Insurance @ 0.1%	0.27	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)	288	289	300	305	291	265	329
INR	61.43	61.43	61.43	61.43	61.43	61.43	61.43
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>-26</b>	<b>-27</b>	<b>-38</b>	<b>-43</b>	<b>-29</b>	<b>-3</b>	<b>-67</b>

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

	12 Aug, 2013	Week ago 05 Aug 13	Month ago 12 July 13	Year ago 13 Aug 2012	Change over previous Year %
<b>Indore</b>	1600	1600	1600	1475	<b>8.47</b>
<b>Bareilly</b>	1545	1540	1590	-	-
<b>Delhi</b>	1575	1570	1578	1409	<b>11.78</b>
<b>Khanna</b>	1679	1679	1701	1458	<b>15.15</b>
<b>Kanpur</b>	1520	1535	1540	1380	<b>10.14</b>
<b>Karnal</b>	1530	1493	1473	1350	<b>13.33</b>
<b>Rajkot</b>	1600	1591	1600	-	-
<b>Kota</b>	1618	1590	1624	1550	<b>4.37</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	8.32	303.06	256.85
May-13	8.66	309.11	258.13
June-13*	5.91	291.51	252.7
July-13*	3.03	282.82	243.62
<b>Total 13-14</b>	<b>25.92</b>	<b>296.63</b>	<b>252.83</b>

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

**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			12.08.2013	03.08.2013	
Delhi					
	Lawrence Road	Mill Quality	1575	1565	10
	Nazafgarh	Mill Delivery Loose	1500	1500	Unch
	Narella	Mill Delivery Loose	1525	-	-
Gujarat	Rajkot	Mill Delivery	1625	1625	Unch
	Ahmadabad	Mill Delivery	1690	1680	10
M.P.	Bhopal	Mill Quality Loose	1500	1500	Unch
	Indore	Mill Delivery	1600	1610	-10
Rajasthan	Kota	Mill Quality	1500	1490	10
U.P.	Mathura	Mill Quality Loose	1470	1435	35
Punjab	Khanna	Mill Quality Loose	1470	1466	4
Haryana	Sirsa	Mill Delivery loose	1460	1450	10

**Wheat Progressive Procurement:**

All figures in Lakh Tonnes		As on 01.08		
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	108.97	128.34	<b>-15.09</b>
Haryana	86.65	58.73	86.65	<b>-32.22</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	19.64	<b>-35.44</b>
Other	11.29	0.16	10.75	<b>-98.51</b>
<b>All India</b>	<b>381.48</b>	<b>250.92</b>	<b>381.07</b>	<b>-34.15</b>

Commodity: Wheat  
Contract: September

Exchange: NCDEX  
Expiry: 20<sup>th</sup> September, 2013

**Wheat (Weekly Chart)****Technical Commentary:**

- Candle stick chart depicts upward 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	September	1555	1561	1579	1600	1604
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	September	<b>Buy</b>	Above 1574	1588	1594	1568

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

**Domestic Weekly Outlook:** Market is likely to trade steady to slightly firm owing to renewed buying interest.

### International Market Updates:

**USDA has increased the global wheat** production to 705.38 million tonnes from 697.80 million tonnes due to expected better output in Spain, France, Germany, Kazakhstan, Russia, Ukraine and Australia. Production is increased by 2.8 million tons for EU, 2.5 million tons for Kazakhstan and 2 million tonnes for Ukraine.

**Global wheat trade has been increased** by around 4 million tonnes to 154.01 million tonnes from 149.13 million tonnes. World wheat ending stocks has been reduced slightly increased to 172.99 million tonnes as consumption is likely to increase by 6.9 million tonnes.

**Egypt GASC has bought 120,000 MT of Ukrainian and** Romanian wheat for September 21-30 delivery. 60,000MT of Romanian wheat was bought from Toepfer at USD 251.35/MT and 60,000MT of Ukrainian wheat was bought from Venus at USD 250.50/MT.

**Ukraine has sold 200,000 tons of wheat in Government** to Government deal at USD 307/MT, CNF. Bangladesh government plans to import 850,000 MT of wheat this year and private traders are expected to import 2.25 million tonnes of wheat.

**In a tender issued by Iraq government, is has** received the lowest bid for 50,000 MT Australian origin wheat at USD 355.30/MT, CNF for Aug 22- Sept 20 delivery. Other bid was for Canadian wheat at USD 359.97/MT and for US origin wheat was USD 367.98/MT. In another tender Thai millers have bought 110,000 MT feed wheat of Black sea region for USD 259/MT, CNF for October delivery.

**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.

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
<b>Production</b>	685	679	653	695	654	683	687
<b>Trade</b>	137	128	126	145	140	138	139
<b>Consumption</b>	645	652	657	692	673	682	686
<b>Carryover stocks</b>	173	199	194	198	175	181	176
<b>Y-O-Y change</b>	41	27	-4	3	-19	6	1
<b>Major Exporters</b>	69	79	74	70	49	53	50

## Indicative FOB Quotes:

	Variety	% Change over Prev. Year	12.08.13	Week Ago 05.08.13	Month Ago (July)	3 Months Ago (May)	Year Ago (Aug)
USA (Gulf)	SRW 2	<b>-18.32</b>	267.90	270.40	274.60	287.00	328.00
France	FCW3	<b>-24.81</b>	243.10	241.00	253.60	270.20	323.30
United Kingdom	Feed wheat	<b>-21.76</b>	238.00	243.40	256.40	294.80	304.20
Australia	CWRS	<b>-15.43</b>	296.00	297.00	367.63	317.93	350.00
Russia	SRW	<b>-20.13</b>	244.00	243.00	252.50	265.00	305.50
Ukraine	SRW	<b>-20.39</b>	242.00	241.50	250.00	262.50	304.00
Argentina	SRW	<b>-19.21</b>	265.00	265.00	273.00	310.00	328.00

Global wheat market is expected to trade weak on higher wheat production estimate of 705.38 million tonnes as compared to previous estimate of 697.80 million tonnes as per USDA latest estimate. Harvesting pressure from Black sea region along with encouraging yield reports has pressurized the market.

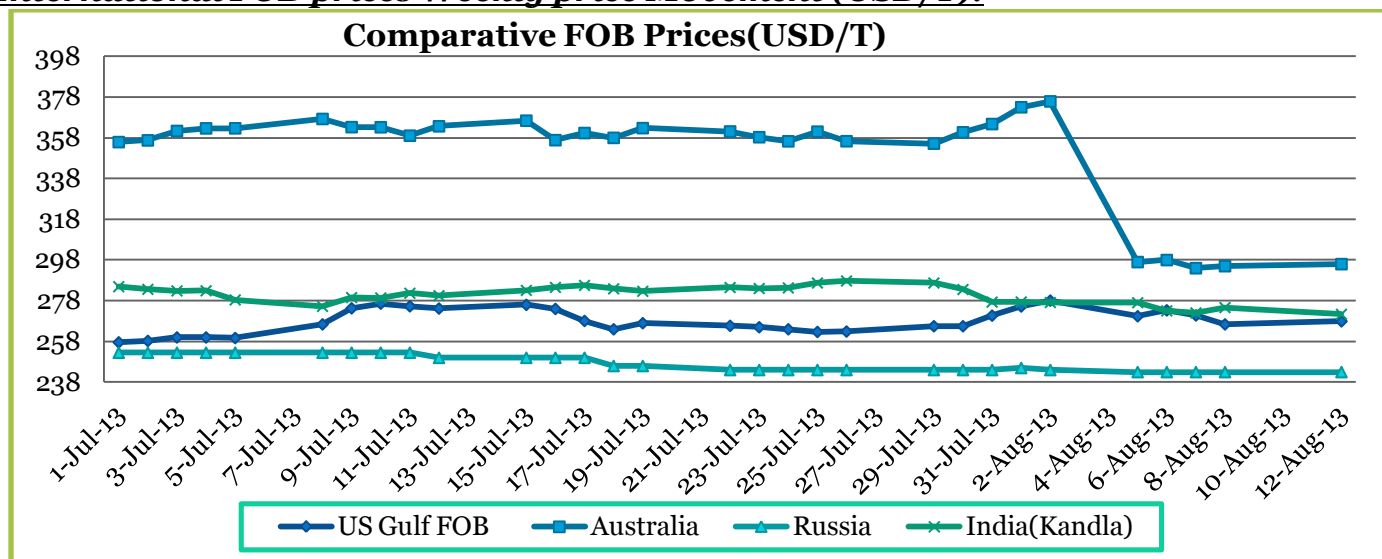
## CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 12.08.13 (USD/T)							
CONTRACT MONTH	12 Aug 13	Week ago (05 Aug 2013)	1 Month ago (12 July 13)	3 Month ago (13 May 13)	6 Month ago (12 Feb 13)	1 Year ago (13 Aug 12)	% Change over previous year
13-Sep	233.30	237.06	250.20	263.79	275.83	309.26	<b>-24.56</b>
13-Dec	238.44	241.66	254.88	270.04	281.06	311.74	<b>-23.51</b>
14-Mar	243.77	245.42	259.20	276.47	285.29	313.58	<b>-22.26</b>
14-May	246.89	247.63	261.86	278.49	286.94	308.34	<b>-19.93</b>
14-Jul	246.34	245.70	260.58	279.04	284.37	295.67	<b>-16.68</b>
14-Sep	249.46	247.90	262.42	280.51	286.94	295.67	<b>-15.63</b>

## 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 increased global output by USDA to 705.38 million tonnes from 697.80 million tonnes. 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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