

### Domestic Market Updates:

**Wheat cash market traded almost steady** from previous level in clueless market. However, festive demand for wheat products may restrict market to dip further. Supply side remains ample and local demands are being taken care of by private trades.

**As export opportunity for India is diminishing** fast due to widening price gap, we expect easy supply side to continue in the local market. There seems no wheat export opportunity from India as of now due to higher prices despite of weak rupee. Ukraine and Russia is exporting wheat at USD 240-244/MT, FOB Black sea region, US is selling wheat at USD 260-270/MT.

**Wheat inflation has marginally decreased** in July to 13.42% year on year basis from 13.83% in May 2013. Though WPI has increased marginally 206.2 in June from 205 in May 2013. Inflation has increased marginally by 0.58% month on month basis.

**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.

**According to IBIS, India wheat export** is estimated at 3.03 lakh tonnes in July month as compared to 5.91 lakh tonnes.

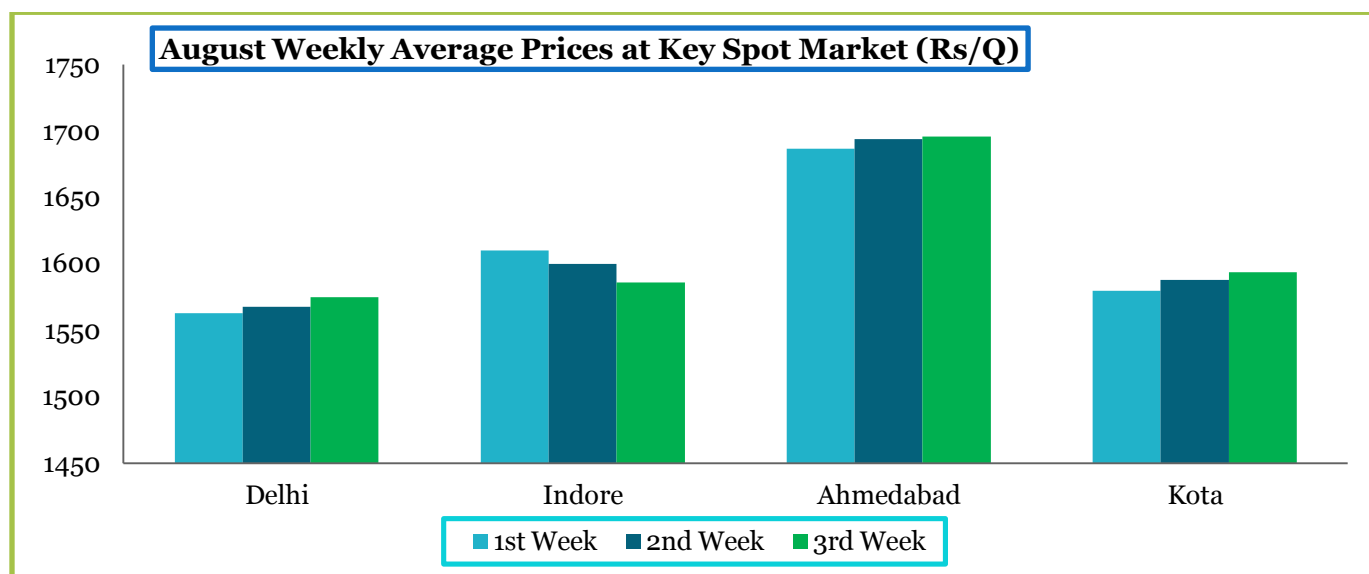
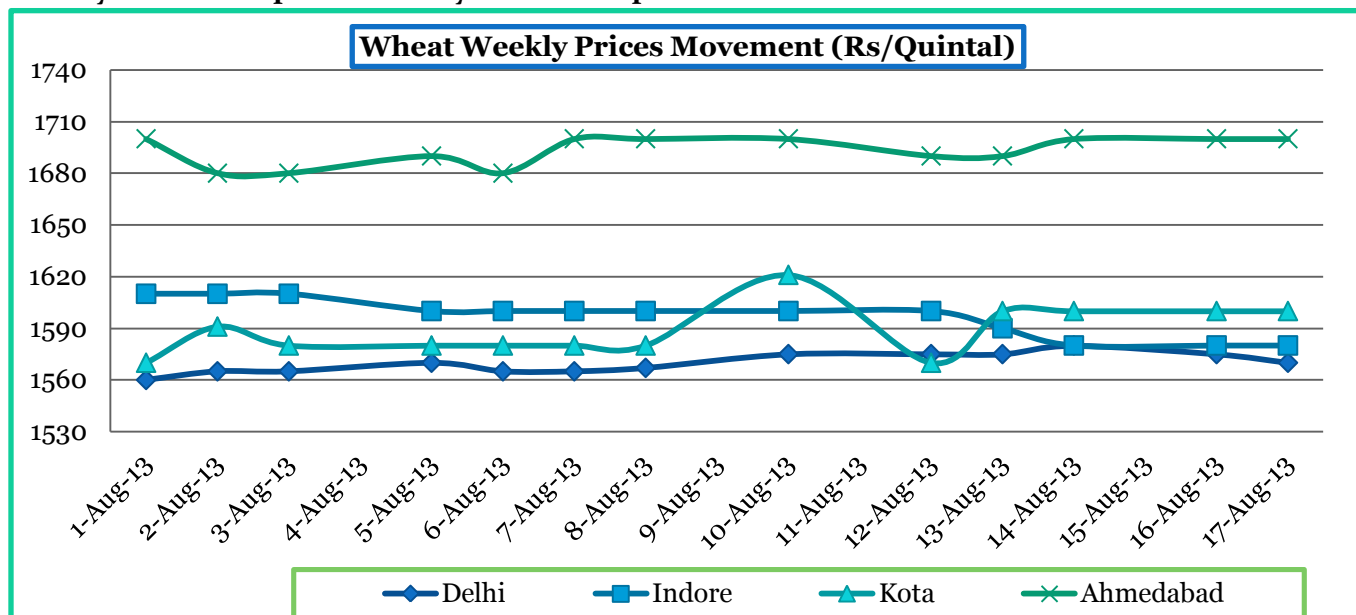
### ***Weather Watch: (Source-IMD)***

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 17 <sup>th</sup> August, 2013			
Region	Actual	Normal	% Departure from LPA
<b>All India</b>	<b>692.40</b>	<b>606.20</b>	<b>14%</b>
East and North East India	677.30	986.90	-31%
North West India	541.80	417.60	30%
Central India	885.60	670.50	32%
South Peninsula	609.50	482.50	26%

### ***Weather Outlook for 21 August to 25 August 2013:***

Rain/thundershower would occur at many places along west coast and over northeastern states. Rain/thundershower would occur at many places over Western Himalayan region, Madhya Pradesh and east Rajasthan

## 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

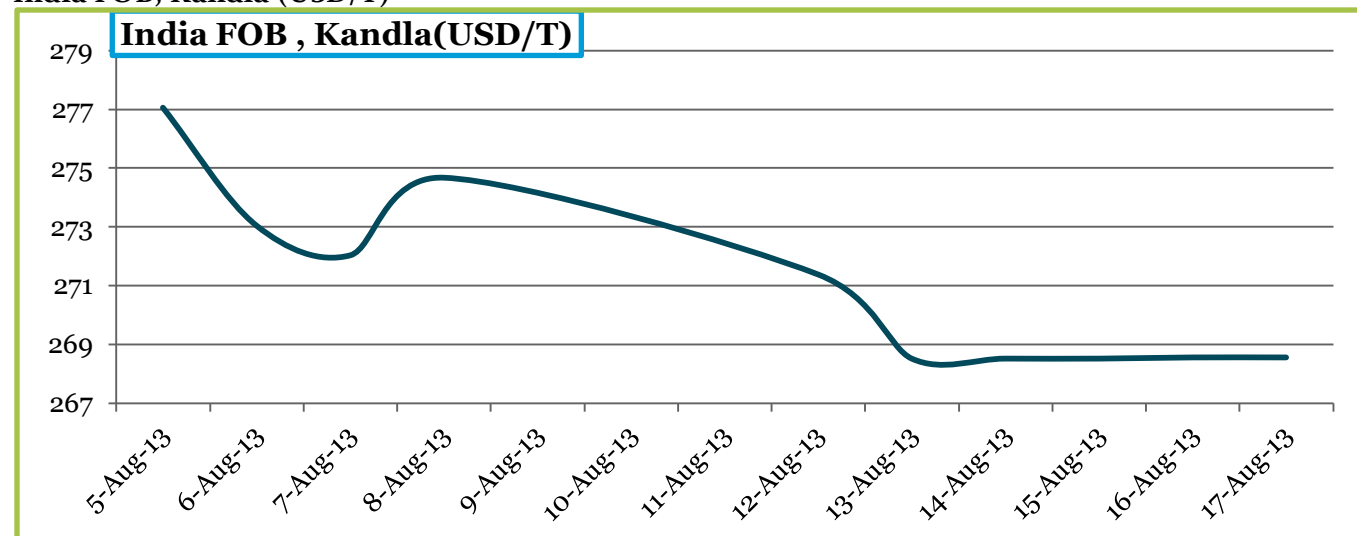
(Figures in Lakh Tonnes)

**FOB Value as on 17.08.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15550	15000	14800	15800	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)	16750	16650	17200	17750	16550	15200	19100
Indian FOB (USD/MT)	<b>270.99</b>	<b>269.37</b>	<b>278.27</b>	<b>287.17</b>	<b>267.76</b>	<b>245.91</b>	<b>309.01</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)	289	287	296	305	286	264	327
INR	61.81	61.81	61.81	61.81	61.81	61.81	61.81
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>-27</b>	<b>-25</b>	<b>-34</b>	<b>-43</b>	<b>-24</b>	<b>-2</b>	<b>-65</b>

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

	17 Aug, 2013	Week ago 10 Aug 13	Month ago 17 July 13	Year ago 17 Aug 2012	Change over previous Year %
<b>Indore</b>	1589	1605	1593	1500	<b>5.93</b>
<b>Bareilly</b>	1550	1560	1590	-	-
<b>Delhi</b>	1573	1572	1595	1449	<b>8.56</b>
<b>Khanna</b>	1662	1679	1701	1433	<b>15.98</b>
<b>Kanpur</b>	1530	1520	1558	1400	<b>9.29</b>
<b>Karnal</b>	1500	1500	1470	1363	<b>10.05</b>
<b>Rajkot</b>	1620	1600	1625	1524	<b>6.30</b>
<b>Kota</b>	1591	1605	1628	1553	<b>2.45</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
			17.08.2013	12.08.2013	
Delhi	Lawrence Road	Mill Quality	1570	1575	-5
	Nazafgarh	Mill Delivery Loose	1505	1500	5
	Narella	Mill Delivery Loose	1525	1525	Unch
Gujarat	Rajkot	Mill Delivery	1640	1625	15
	Ahmadabad	Mill Delivery	1700	1690	10
M.P.	Bhopal	Mill Quality Loose	1525	1500	25
	Indore	Mill Delivery	1625	1600	25
Rajasthan	Kota	Mill Quality	1500	1500	Unch
U.P.	Mathura	Mill Quality Loose	1442	1470	-28
Punjab	Khanna	Mill Quality Loose	1450	1470	-20
Haryana	Sirsa	Mill Delivery loose	1450	1460	-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)**

O 1586.00 H 1591.00 L 1585.00 C 1591.00 V 580 | 4,990 +3 +0.19%

EMA(9) 1591.0 (18) 1591.0

**Technical Commentary:**

- Candle stick chart depicts upward movement in the market.
- Fall in OI and rise 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	September	1555	1561	1588	1604	1610
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	September	<b>Sell</b>	Below 1595	1580	1572	1602

\*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	15.08.13	Week Ago 08.08.13	Month Ago (July)	3 Months Ago (May)	Year Ago (Aug)
USA (Gulf)	SRW 2	<b>-16.71</b>	268.20	266.40	276.00	283.40	322.00
France	FCW3	<b>-23.04</b>	245.50	245.30	255.40	263.20	319.00
United Kingdom	Feed wheat	<b>-23.67</b>	232.80	238.90	254.00	288.10	305.00
Australia	CWRS	<b>-10.50</b>	307.00	295.00	366.42	323.83	343.00
Russia	SRW	<b>-20.13</b>	244.00	243.00	252.50	265.00	305.50
Ukraine	SRW	<b>-20.56</b>	241.50	241.50	250.00	262.50	304.00
Argentina	SRW	<b>-17.68</b>	270.00	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:

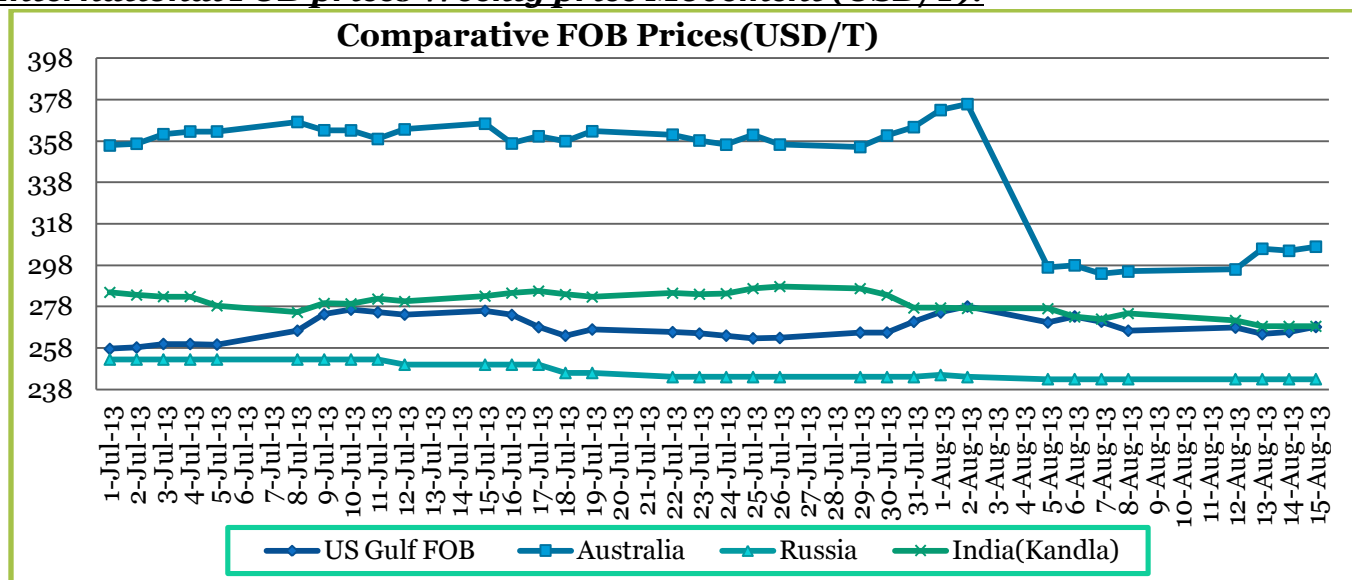
CBOT Futures Prices: Date: 16.08.13 (USD/T)							
CONTRACT MONTH	16 Aug 13	Week ago (09 Aug 2013)	1 Month ago (16 July 13)	3 Month ago (16 May 13)	6 Month ago (15 Feb 13)	1 Year ago (16 Aug 12)	% Change over previous year
13-Sep	231.83	232.75	245.97	255.71	279.22	306.32	<b>-24.32</b>
13-Dec	236.42	237.80	250.75	261.96	283.72	309.26	<b>-23.55</b>
14-Mar	241.11	242.67	255.16	268.20	287.67	311.28	<b>-22.54</b>
14-May	243.68	245.61	257.64	270.50	288.13	306.04	<b>-20.38</b>
14-Jul	242.67	244.32	257.36	271.42	285.56	293.28	<b>-17.26</b>
14-Sep	246.07	247.44	259.84	272.98	287.86	292.45	<b>-15.86</b>

## CBOT September 13 weekly Future Chart:





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



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

**Canada-** The drier conditions were welcome for fieldwork, including haying and the final stages of winter wheat harvesting in South Eastern Canada.

**Australia-** in Western Australia, soaking rains (20-50 mm or more) overspread most of the wheat belt, favoring wheat. Sunny skies in northern New South Wales and southern Queensland spurred crop development but further reduced soil moisture for wheat.

**Argentina-** Mostly dry weather favored the final stages of autumn fieldwork. Major production areas recorded little to no rainfall, with amounts in excess of 10 mm confined to outlying farming areas of Entre Rios and the northeast.

**USA-** With favorable weather conditions supporting rapid fieldwork in areas where winter wheat remained in the field; producers had harvested 92 percent of the crop by week's end. This was 2 percentage points behind last year but slightly ahead of the 5-year average.

**Russia and Ukraine** –Moderate to heavy rain (10-50 mm) also fell in primary spring wheat areas of Russia's Siberia District, sustaining current favorable spring wheat yield projections.

### **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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