

Domestic Market Updates:

Wheat cash market traded slightly firm as medium and bulk buyers are buying at this point of time. They are fulfilling their immediate requirements on easy supply side outlook. Some further improvement on price front is expected at the end of September when stock in private hands starts declining and buyers turn towards govt.'s stock.

On 16th August, 2013 wheat stock in central pool was 39.43 million tonnes.

Wheat from Bihar through private channel is being loaded to Kolkata at Rs 1560/1580 per qtl. Millers in West Bengal are sourcing wheat from Bihar due to cheaper and ample availability. Traders in M.P has revealed that wheat demand is coming from local market and Maharashtra, traders are selling wheat at Rs 1700-1720/Q, delivered basis to millers in Maharashtra, whereas south Indian millers are buying wheat from U.P, Rajasthan majorly at Rs 1800-1825/Q, delivered basis.

According to wheat scientist Ronnie Coffman, Indian does not face Ug99 rust disease risk at present. Ug99 is black wheat stem rust fungus which can destroy 70% wheat yield.

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.

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

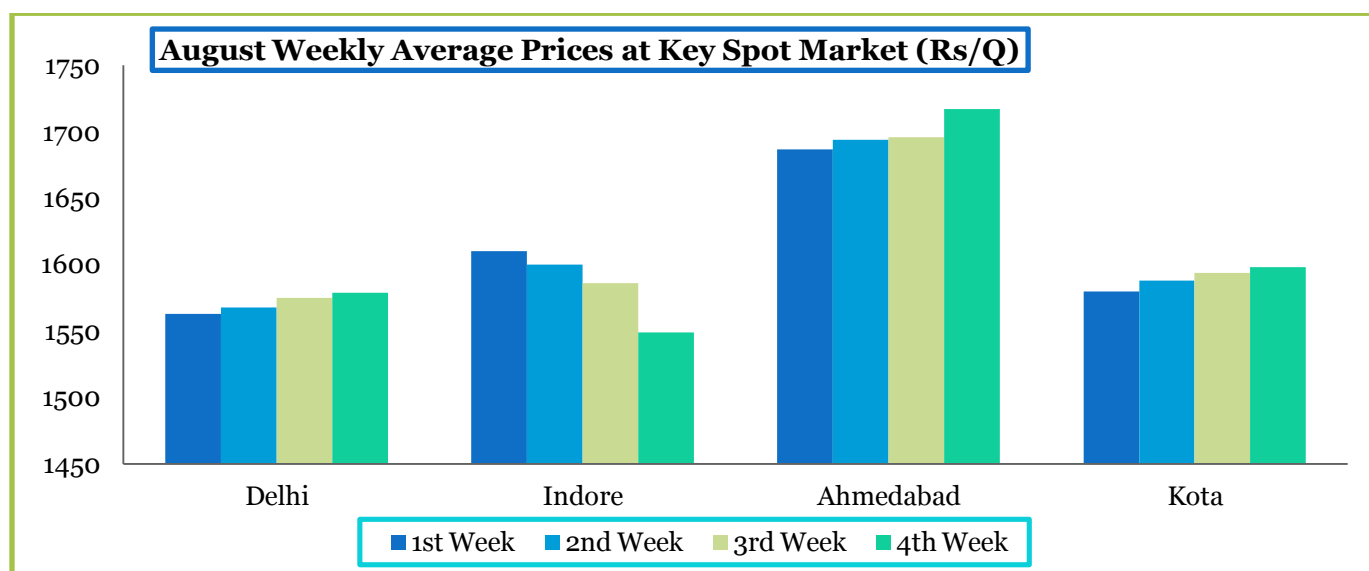
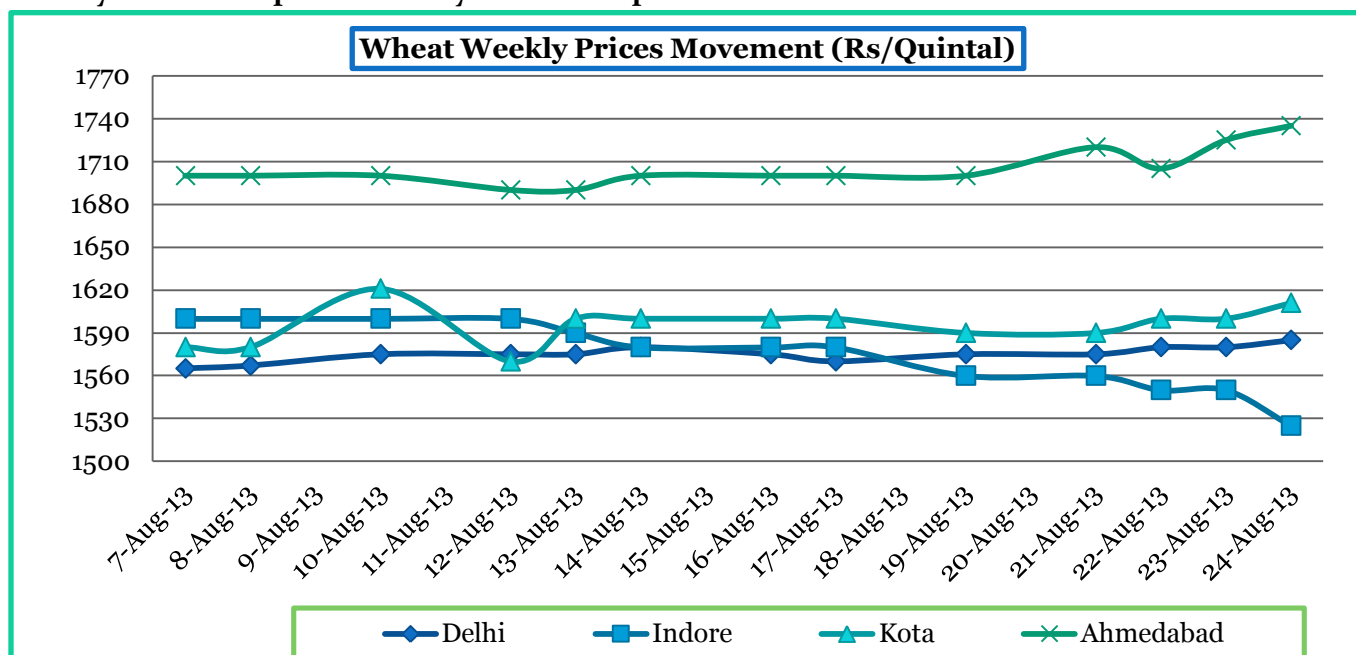
Weather Watch: (Source-IMD)

| Seasonal rainfall (in mm) from 1 st June to 24 th August, 2013 | | | |
|--|---------------|---------------|----------------------|
| Region | Actual | Normal | % Departure from LPA |
| All India | 749.30 | 662.80 | 13% |
| East and North East India | 735.90 | 1067.90 | -31% |
| North West India | 577.00 | 464.60 | 24% |
| Central India | 983.30 | 733.40 | 32% |
| South Peninsula | 628.80 | 523.30 | 20% |

Weather Outlook for 28 August to 1 Sept 2013:

Rain/thundershower would occur at many places along west coast and over Himachal Pradesh, Uttarakhand, Madhya Pradesh, Odisha, Chhattisgarh and northeastern states and over few places over rest parts of the country outside Rajasthan Gujarat and south Andhra Pradesh where it would be isolated

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 |
| TOTAL | 689.76 | 6.38 | 696.14 |
| COARSE GRAINS | 0.39 | 0.00 | 0.39 |
| SUGAR | 0.02 | 0.00 | 0.02 |
| GRAND TOTAL | 690.16 | 6.38 | 696.54 |

(Figures in Lakh Tonnes)

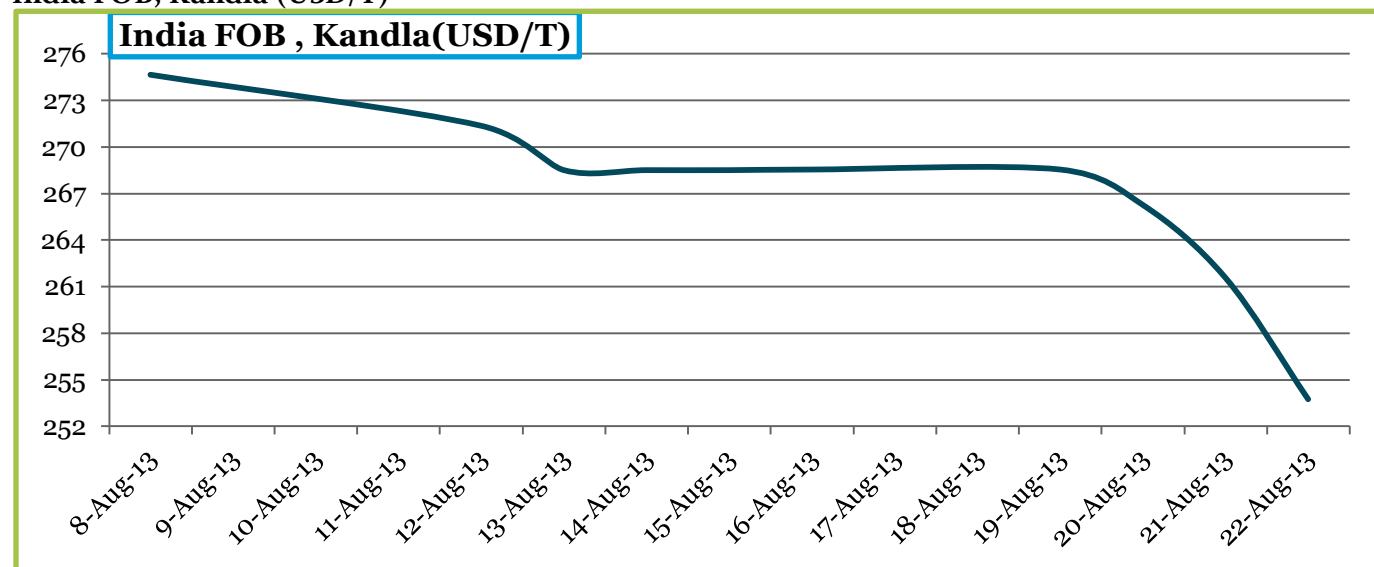
FOB Value as on 24.08.2013 from various destinations at Kandla:

| Parity Calculation | Rajkot | Kota | Begusarai | Indore | Kosi | MSP | ECO.Cost |
|--|---------------|---------------|------------------|---------------|---------------|---------------|-----------------|
| Basic cost of wheat (Rs/ton) | 15550 | 15100 | 14600 | 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) | 16750 | 16750 | 17000 | 17450 | 16550 | 15200 | 19100 |
| Indian FOB (USD/MT) | 260.78 | 260.78 | 264.67 | 271.68 | 257.67 | 236.65 | 297.37 |
| Insurance @ 0.1% | 0.26 | 0.26 | 0.26 | 0.27 | 0.26 | 0.24 | 0.30 |
| Freight Charges (US \$/ton) to Chittagong | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| CIF (kandla to Chittagong) | 279 | 279 | 283 | 290 | 276 | 255 | 315 |
| INR | 64.23 | 64.23 | 64.23 | 64.23 | 64.23 | 64.23 | 64.23 |
| Russian Wheat FOB (USD/MT) | 243 | 243 | 243 | 243 | 243 | 243 | 243 |
| Parity on FOB Basis (USD/MT) | -18 | -18 | -22 | -29 | -15 | 6 | -54 |

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

| | 24 Aug, 2013 | Week ago 17 Aug 13 | Month ago 24 July 13 | Year ago 24 Aug 2012 | Change over previous Year % |
|-----------------|---------------------|---------------------------|-----------------------------|-----------------------------|------------------------------------|
| Indore | 1595 | 1589 | 1575 | 1615 | -1.24 |
| Bareilly | 1560 | 1550 | 1600 | 1650 | -5.45 |
| Delhi | 1583 | 1573 | 1576 | 1678.35 | -5.68 |
| Khanna | 1646 | 1662 | 1679 | 1491.05 | 10.39 |
| Kanpur | 1530 | 1530 | 1550 | 1610 | -4.97 |
| Karnal | 1540 | 1500 | 1485 | 1490 | 3.36 |
| Rajkot | 1610 | 1620 | 1613 | 1631 | -1.29 |
| Kota | 1620 | 1591 | 1615 | 1706.25 | -5.05 |

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 | 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 |
| Total 13-14 | 25.92 | 296.63 | 252.83 |

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

Domestic Key Spot Market Price Comparison:

| Centre | Market | Variety | Prices (Rs/Qtl) | Change |
|--------|--------|---------|-----------------|--------|
|--------|--------|---------|-----------------|--------|

| | | | 24.08.2013 | 17.08.2013 | |
|-----------|---------------|---------------------|------------|------------|------|
| Delhi | Lawrence Road | Mill Quality | 1580 | 1570 | 10 |
| | Nazafgarh | Mill Delivery Loose | 1515 | 1505 | 10 |
| | Narella | Mill Delivery Loose | 1540 | 1525 | 15 |
| Gujarat | Rajkot | Mill Delivery | 1640 | 1640 | Unch |
| | Ahmadabad | Mill Delivery | 1735 | 1700 | 35 |
| M.P. | Bhopal | Mill Quality Loose | 1525 | 1525 | Unch |
| | Indore | Mill Delivery | 1625 | 1625 | Unch |
| Rajasthan | Kota | Mill Quality | 1510 | 1500 | 10 |
| U.P. | Mathura | Mill Quality Loose | 1450 | 1442 | 8 |
| Punjab | Khanna | Mill Quality Loose | 1450 | 1450 | Unch |
| 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 | -15.09 |
| Haryana | 86.65 | 58.73 | 86.65 | -32.22 |
| 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 | 19.64 | -35.44 |
| Other | 11.29 | 0.16 | 10.75 | -98.51 |
| All India | 381.48 | 250.92 | 381.07 | -34.15 |

Commodity: Wheat
Contract: September

Exchange: NCDEX
Expiry: 20th September, 2013

Wheat (Weekly Chart)



Technical Commentary:

- Candle stick chart depicts sideward 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 | 1583 | 1604 | 1610 |
| Intraday Trade Call* | | | Call | Entry | T1 | T2 | SL |
| Wheat | NCDEX | September | Sell | Below 1590 | 1575 | 1568 | 1595 |

*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:

Russia so far has harvested 37 million tonnes of wheat so far and is expected to have 15 million tonnes of surplus wheat to export as compared to 11 million tonnes in the previous season. This year Russia is expected to harvest wheat near 50 million tonnes and government is keen to replenish its cereal stock by buying 6 million tonnes from open market.

China has recently bought Australian standard white wheat at USD 330/MT, CNF for December delivery. China might buy 4 million tonnes of Australian wheat in next marketing year beginning from 1st Oct overtaking Indonesia as largest Australian wheat importer.

Western Australia wheat production is likely to increase by 20-25% in 2013-14 owing to recent rains which might increase the yield this year. ABARES is expecting Australia's wheat production near 25.399 million tonnes against 22.077 million tonnes previous year.

Canada may harvest the highest wheat crop in more than 2 decades, around 30.6 million tonnes as compared to 27.1 million tonnes in 2012-13. Favourable weather and timely sowing of wheat is likely to increase the yield prospects this year.

Jordan has bought 50000MT wheat of optional origin for USD 287.50/MT, CNF and another 50000 MT at USD 288.50/MT, CNF from Nibulon to be shipped till March 2014.

Iran has purchased 4.1 million tonnes of wheat from domestic farmers at 33 cents per kg which is

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 | 22.08.13 | Week Ago 15.08.13 | Month Ago (July) | 3 Months Ago (May) | Year Ago (Aug) |
|-----------------------|------------|--------------------------------|----------|----------------------|---------------------|-----------------------|----------------------|
| USA (Gulf) | SRW 2 | -22.50 | 266.60 | 268.20 | 265.70 | 283.80 | 344.00 |
| France | FCW3 | -27.02 | 245.20 | 245.50 | 253.80 | 262.70 | 336.00 |
| United Kingdom | Feed wheat | -28.72 | 239.50 | 232.80 | 253.70 | 267.40 | 336.00 |
| Australia | CWRS | -13.58 | 307.00 | 307.00 | 361.12 | 327.18 | 355.23 |
| Russia | SRW | -20.46 | 243.00 | 244.00 | 248.00 | 265.00 | 305.50 |
| Ukraine | SRW | -20.56 | 241.50 | 241.50 | 246.00 | 262.50 | 304.00 |
| Argentina | SRW | -16.92 | 272.50 | 270.00 | 273.00 | 310.00 | 328.00 |

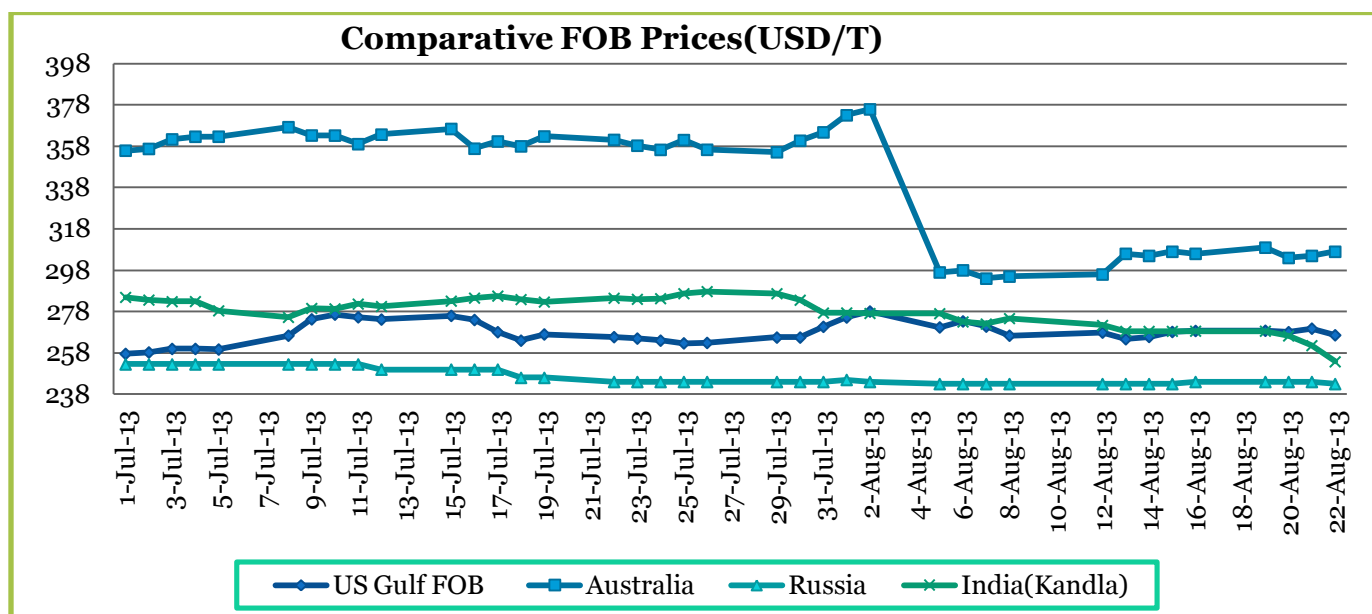
Global wheat market is expected to trade weak on higher wheat production estimate of 705.38 million tonnes as compared to previous estimate of 697.80 million tonnes as per USDA latest estimate. Harvesting pressure from Black sea region along with encouraging yield reports has pressurized the market.

CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 23.08.13 (USD/T)

| CONTRACT MONTH | 23 Aug 13 | Week ago (16 Aug 2013) | 1 Month ago(24 July 13) | 3 Month ago(24 May 13) | 6 Month ago(25 Feb 13) | 1 Year ago(23 Aug 12) | % Change over previous year |
|----------------|-----------|------------------------|-------------------------|------------------------|------------------------|-----------------------|-----------------------------|
| 13-Sep | 233.12 | 231.83 | 252.68 | 270.22 | 264.25 | 313.12 | -25.55 |
| 13-Dec | 237.34 | 236.42 | 243.95 | 263.79 | 269.49 | 315.50 | -24.77 |
| 14-Mar | 241.75 | 241.11 | 247.54 | 269.03 | 274.17 | 317.71 | -23.91 |
| 14-May | 244.32 | 243.68 | 249.65 | 271.69 | 274.45 | 312.47 | -21.81 |
| 14-Jul | 242.67 | 242.67 | 248.82 | 272.52 | 272.43 | 294.56 | -17.62 |
| 14-Sep | 246.62 | 246.07 | 251.58 | 273.71 | 274.54 | 293.74 | -16.04 |

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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