

### 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.

**Indian wheat can become competitive** in South East Asian countries due to weak rupee. Traders feel that if government reduces OMSS prices than they can compete with Black sea region. South East Asian countries have shifted to Black sea region from India due to cheaper wheat availability.

**Traders in Kanpur and Kosi region has revealed that** thin trading activities are taking place and panic selling of wheat activities were reported as traders anticipate bearish price sentiments. Wheat is reaching Delhi Rs 1570-1580/Q from Kosi region.

**On 16<sup>th</sup> 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.

**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.

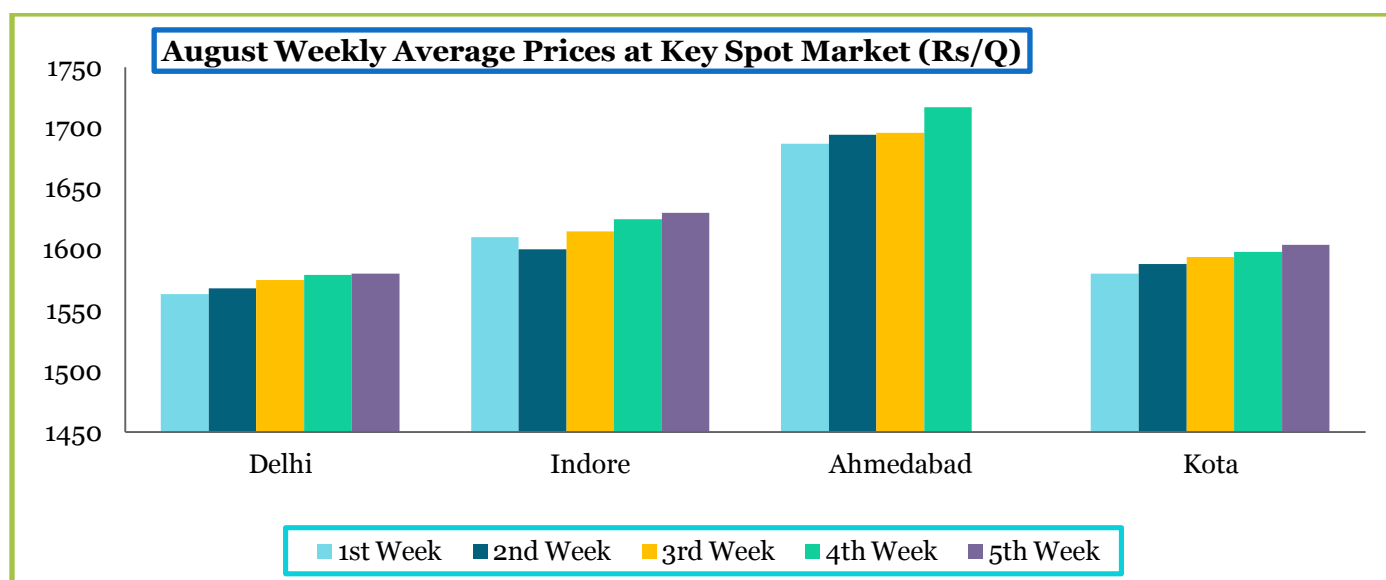
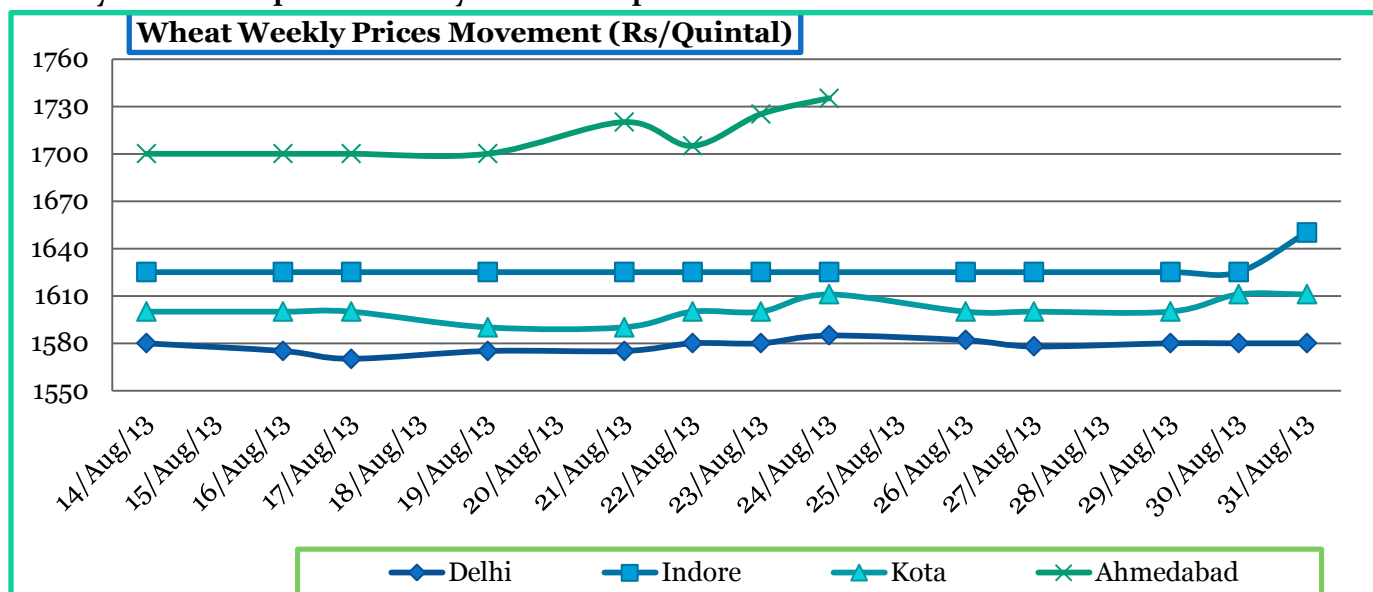
### ***Weather Watch: (Source-IMD)***

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 31 <sup>st</sup> August, 2013			
Region	Actual	Normal	% Departure from LPA
<b>All India</b>	<b>785.30</b>	<b>713.40</b>	<b>10%</b>
East and North East India	816.80	1141.40	-28%
North West India	607.10	503.10	21%
Central India	1014.60	793.00	28%
South Peninsula	645.80	559.00	16%

### ***Weather Outlook for 4 Sept to 8 Sept 2013:***

Rain/thundershower would occur at many places along r eastern and northeastern states and over few places over western Himalayan region, Lakshadweep, peninsular India and Andaman & Nicobar Island and isolated over remaining parts of the country outside Rajasthan and Gujarat where rainfall would be mainly dry.

## Weekly Prices Comparison of key Domestic Spot Market:



\*Prices not available for Ahmadabad 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 16.08.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	277.28	1.89	279.17
WHEAT	392.87	1.51	394.38
<b>TOTAL</b>	670.15	3.40	673.55
COARSE GRAINS	0.27	0.00	0.27
SUGAR	0.02	0.00	0.02
<b>GRAND TOTAL</b>	670.43	3.40	673.83

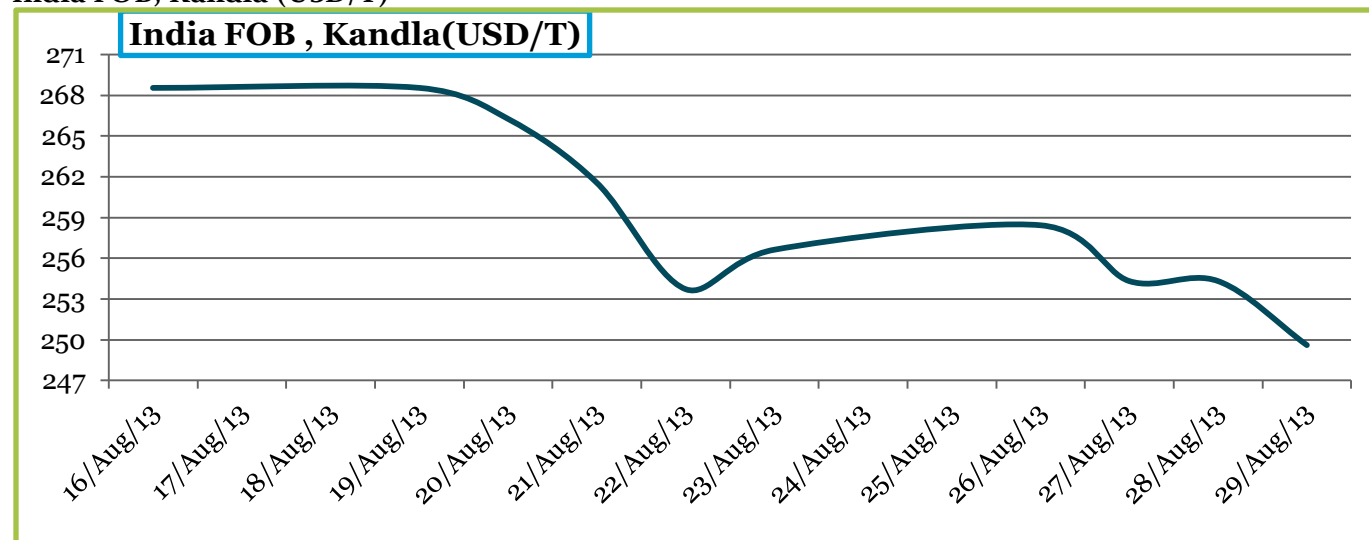
(Figures in Lakh Tonnes)

**FOB Value as on 31.08.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15600	15000	14300	15750	14600	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	16650	16700	17700	16650	15200	19100
Indian FOB (USD/MT)	<b>252.37</b>	<b>250.11</b>	<b>250.86</b>	<b>265.89</b>	<b>250.11</b>	<b>228.33</b>	<b>286.92</b>
Insurance @ 0.1%	0.25	0.25	0.25	0.27	0.25	0.23	0.29
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	270	268	269	284	268	246	305
INR	66.57	66.57	66.57	66.57	66.57	66.57	66.57
Russian Wheat FOB (USD/MT)	<b>244</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>
Parity on FOB Basis (USD/MT)	<b>-8</b>	<b>-7</b>	<b>-8</b>	<b>-23</b>	<b>-7</b>	<b>15</b>	<b>-44</b>

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

	31 Aug, 2013	Week ago 24 Aug 13	Month ago 31 July 13	Year ago 31 Aug 2012	Change over previous Year %
<b>Indore</b>	1610	1595	1575	1650	<b>-2.42</b>
<b>Bareilly</b>	1570	1560	1555	1650	<b>-4.85</b>
<b>Delhi</b>	1583	1583	1568	1610	<b>-1.68</b>
<b>Khanna</b>	1646	1646	1668	1618	<b>1.72</b>
<b>Kanpur</b>	1540	1530	1528	1575	<b>-2.22</b>
<b>Karnal</b>	1500	1540	1500	1664	<b>-9.86</b>
<b>Rajkot</b>	1610	1610	1608	1627	<b>-1.04</b>
<b>Kota</b>	1603	1620	1615	1650	<b>-2.88</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
Delhi			<b>31.08.2013</b>	<b>24.08.2013</b>	
	Lawrence Road	Mill Quality	1580	1580	Unch
	Nazafgarh	Mill Delivery Loose	1520	1515	5
	Narella	Mill Delivery Loose	1545	1540	5
Gujarat	Rajkot	Mill Delivery	NA	1640	-
	Ahmadabad	Mill Delivery	NA	1735	-
M.P.	Bhopal	Mill Quality Loose	1500	1525	-25
	Indore	Mill Delivery	1650	1625	25
Rajasthan	Kota	Mill Quality	1500	1510	-10
U.P.	Mathura	Mill Quality Loose	1460	1450	10
Punjab	Khanna	Mill Quality Loose	1470	1450	20
Haryana	Sirsa	Mill Delivery loose	1480	1460	20

**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 sideward movement in the market.
- Rise in OI and fall in price indicates short buildup.
- Prices closed below 9days EMA.

**Strategy: Sell near entry level**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	September	1525	1541	1565	1605	1623
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	September	<b>Sell</b>	Below 1585	1570	1560	1591

\*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:

**IGC has increased the global production forecast** from 687 million tonnes to 691 million tonnes as crop prospects has been increased for Canada, EU, Kazakhstan and Ukraine. International trade forecast has been increased by 2 million tonnes to 141 million tonnes as import from China, Brazil and Iran may boost global trade.

**Global carryover stock remains at 176 million tonnes** as increase in production is likely to be set off by increase in consumption (from 686 million tonnes to 688 million tonnes) and increase in global trade.

**Malaysia has bought 13.5% Protein** Canadian Spring Wheat at USD 310/MT CNF basis. Wheat prices have edged higher in Americas due to damage to wheat crop in Brazil and weather related concern in Argentina.

**Despite of turbulent weather Germany** is expected to harvest 24.9 million tonnes of wheat this year which is 11% more than previous year. Average wheat protein has been reported at 12.6% as compared to 12.8 % previous year.

**Egypt's GASC has bought 295,000 MT of wheat** from Russia, Ukraine and Romania to be shipped from 1-10 October. 60000 MT Russian wheat has been bought around USD 252/MT FOB, 115,000 MT Ukrainian wheat at USD 250.44-254/MT and 60,000 MT Romanian wheat at USD 254/MT, FOB.

**Tunisian state grain buying agency has bought 84,000 MT** of Soft wheat for USD 264.69/MT, CNF basis from Casillo Commodities. The sellers have the option to select origins and wheat will be shipped from Sept. 25 to Nov. 5 depending on origin.

**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.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12	2012-13 Est.	Projection for 2013-14	
						01.08.2013	30.08.2013
<b>Production</b>	685	679	653	695	654	687	691
<b>Trade</b>	137	128	126	145	140	139	141
<b>Consumption</b>	645	652	657	696	673	686	688
<b>Carryover stocks</b>	173	199	194	194	174	176	176
<b>Y-O-Y change</b>	41	27	-4	0	-20	1	2
<b>Major Exporters</b>	69	79	74	69	48	50	50

## Indicative FOB Quotes:

	Variety	% Change over Prev. Year	29.08.13	Week Ago 22.08.13	Month Ago (July)	3 Months Ago (May)	Year Ago (Aug)
<b>USA (Gulf)</b>	SRW 2	<b>-23.39</b>	262.00	266.60	265.50	281.90	342.00
<b>France</b>	FCW3	<b>-25.42</b>	249.10	245.20	250.30	270.30	334.00
<b>United Kingdom</b>	Feed wheat	<b>-26.01</b>	241.20	239.50	240.00	275.50	326.00
<b>Australia</b>	CWRS	<b>-12.28</b>	300.00	307.00	355.16	344.49	342.00
<b>Russia</b>	SRW	<b>-22.28</b>	242.50	244.00	247.00	275.00	312.00
<b>Ukraine</b>	SRW	<b>-22.58</b>	240.00	241.50	245.00	273.00	310.00
<b>Argentina</b>	SRW	<b>-16.18</b>	285.00	272.50	265.00	282.00	340.00

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. IGC latest estimate of 691 million tonnes may keep market under pressure.

## CBOT FUTURES CONTRACT:

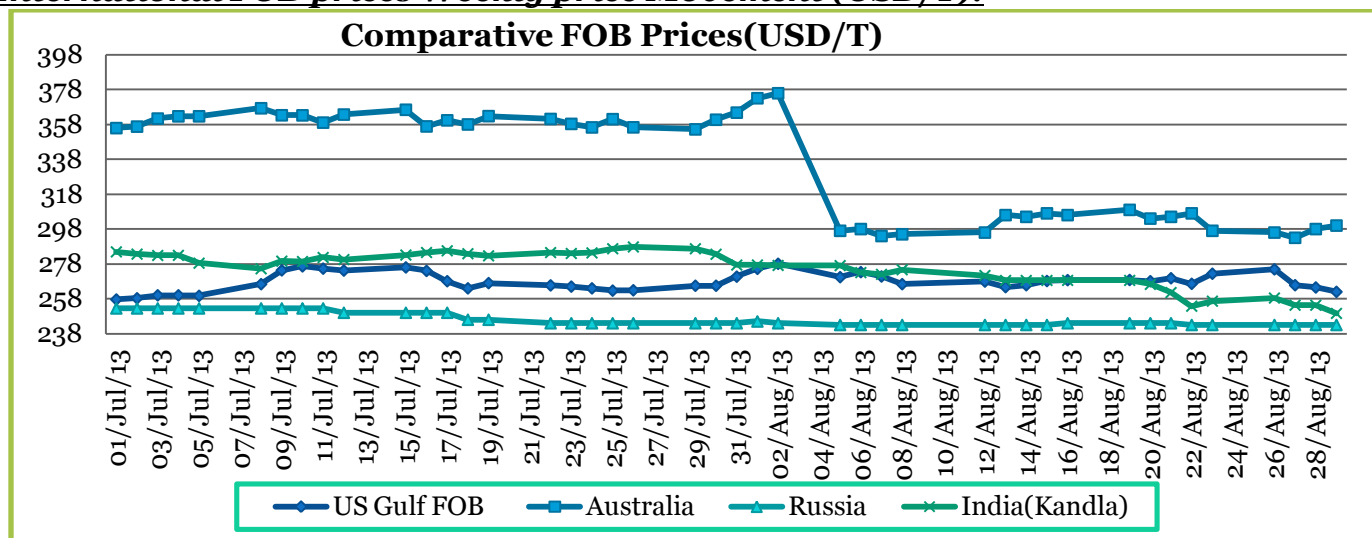
CBOT Futures Prices: Date: 30.08.13 (USD/T)							
CONTRACT MONTH	30 Aug 13	Week ago (23 Aug 2013)	1 Month ago(30 July 13)	3 Month ago(30 May 13)	6 Month ago(28 Feb 13)	1 Year ago(30 Aug 12)	% Change over previous year
<b>13-Sep</b>	236.33	233.12	240.74	260.12	266.46	314.59	<b>-24.88</b>
<b>13-Dec</b>	240.28	237.34	245.33	265.81	271.69	317.71	<b>-24.37</b>
<b>14-Mar</b>	244.50	241.75	249.10	271.42	276.47	320.01	<b>-23.59</b>
<b>14-May</b>	247.17	244.32	251.39	274.82	276.65	314.77	<b>-21.48</b>
<b>14-Jul</b>	244.87	242.67	250.20	276.38	274.17	297.04	<b>-17.56</b>
<b>14-Sep</b>	248.45	246.80	252.59	278.49	276.47	294.01	<b>-15.50</b>

## CBOT September 13 weekly Future Chart:





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



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

**Canada-** Mostly dry weather aided early spring crop harvesting, although showers (locally in excess of 10 mm) were scattered across Manitoba and northern agricultural districts in Alberta and Saskatchewan.

**Australia-** In Western Australia, a combination of warm, sunny weather and adequate moisture supplies continued to favor winter grain. Farther east, widespread showers and seasonably mild weather maintained good to excellent yield prospects for wheat in South Australia, Victoria, and southern New South Wales.

**Argentina-** Little to no rain accompanied the frontal passage, though light showers (2-12 mm) kept top soils moist in the southern wheat belt of Buenos Aires. Light rain (less than 25 mm) also developed in the northeast east of the main cotton and wheat areas, otherwise dry weather prevailed.

**Russia and Ukraine** –Temperatures exceeded 30°C across the southern half of the region, which coupled with a drier-than-normal summer stressed filling summer crops from southern Ukraine into Russia's Southern District. However, the dry conditions facilitated a rapid pace of early winter wheat planting.

### **International Weekly Outlook:**

*International market is likely to trade steady to weak on increased global output by IGC by 4 million tonnes to 691 million tonnes. Increased demand from China, Iran and Brazil might support prices in near term however in medium term market is expected to remain steady to weak.*

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