

Domestic Market Updates:

Wheat traded almost steady at previous level and waited for a clear cut clue for directional move, Government's release mechanism in the months ahead would remain the major price driving force for in the weeks ahead.

Indian firm LMJ lost the bid for 50,000 MT to Ismail food products for Bangladesh government wheat tenders. LMJ bid was USD 286/MT, CIF which lost to Ismail food product's USD 282.66/MT, CIF. Ukraine is the expected origin of wheat.

As on 1st September, wheat stock in central pool was 38.36 million tonnes which is lower than previous year 46.16 million tonne on the same date. Punjab and Haryana hold the maximum wheat stock at 14.48 million tonnes and 9.34 million tonnes respectively.

As per IBIS data, India exported 1.31 lakh tonnes of wheat in month of August, which is lower than 4.79 lakh tonnes exported in the same month last year. Around 42000 MT was exported to Sudan and 22, 685 MT was exported to UAE.

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.

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.

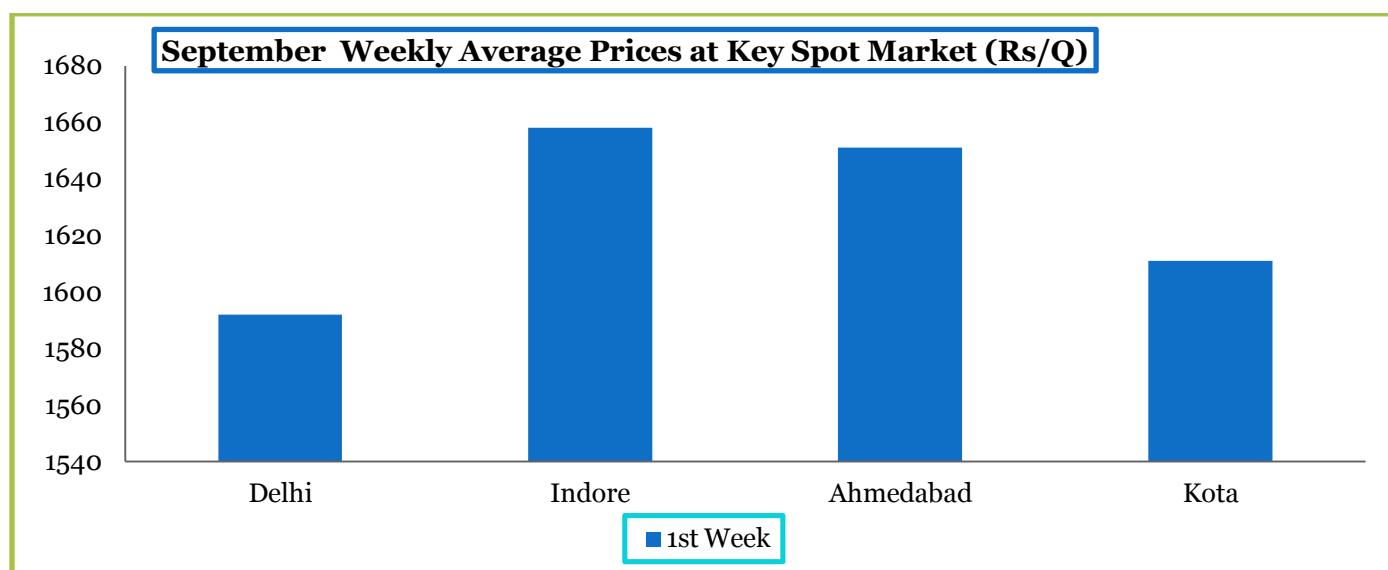
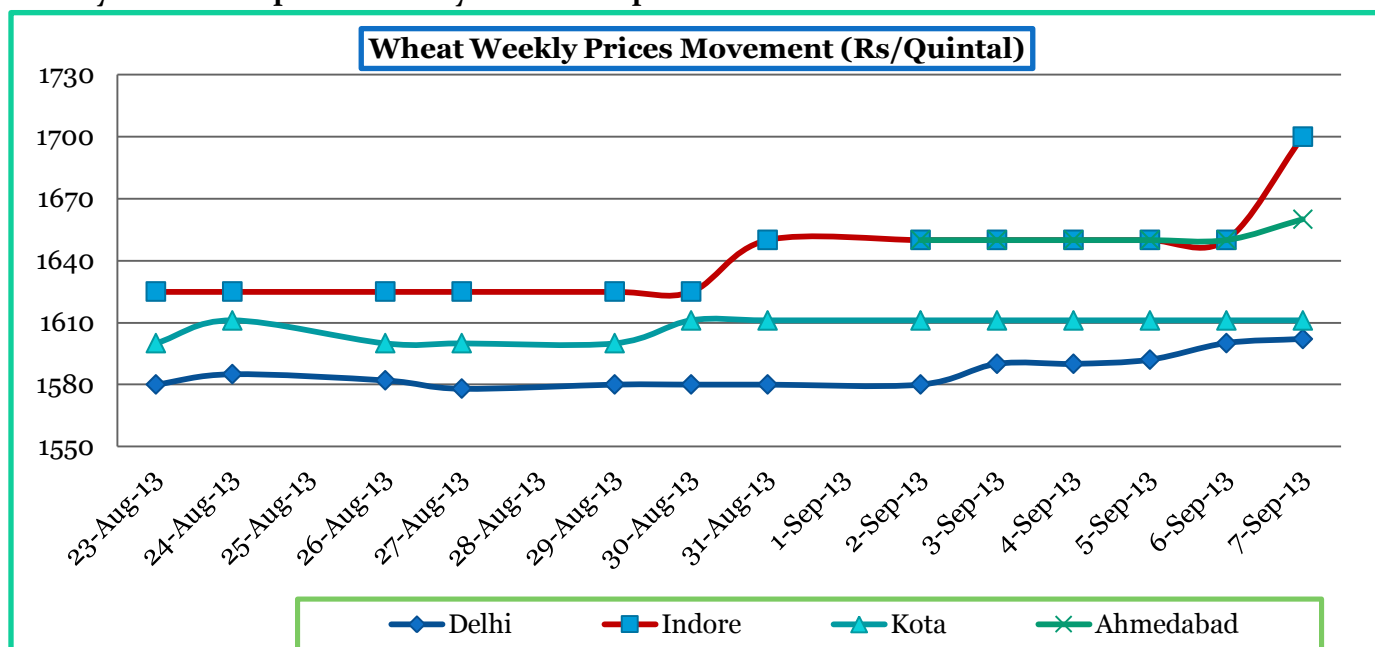
Weather Watch: (Source-IMD)

Seasonal rainfall (in mm) from 1 st June to 8 th September, 2013			
Region	Actual	Normal	% Departure from LPA
All India	819.10	768.30	7%
East and North East India	920.50	1223.00	-25%
North West India	617.10	544.40	13%
Central India	1028.80	858.60	20%
South Peninsula	693.90	594.80	17%

Weather Outlook for 12 Sept to 16 Sept 2013:

Rain/thundershower would occur at many places along west coast, over Maharashtra, interior Karnataka and Andaman & Nicobar Islands and over few places over and eastern & northeastern states and isolated over western Himalayan region, Madhya Pradesh, Chhattisgarh and Vidarbha.

Weekly Prices Comparison of key Domestic Spot Market:



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

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.09.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	202.49	3.24	205.73
WHEAT	379.75	3.85	383.60
TOTAL	582.24	7.09	589.33
COARSE GRAINS	0.27	0.00	0.27
SUGAR	0.002	0.00	0.002
GRAND TOTAL	582.51	7.09	589.60

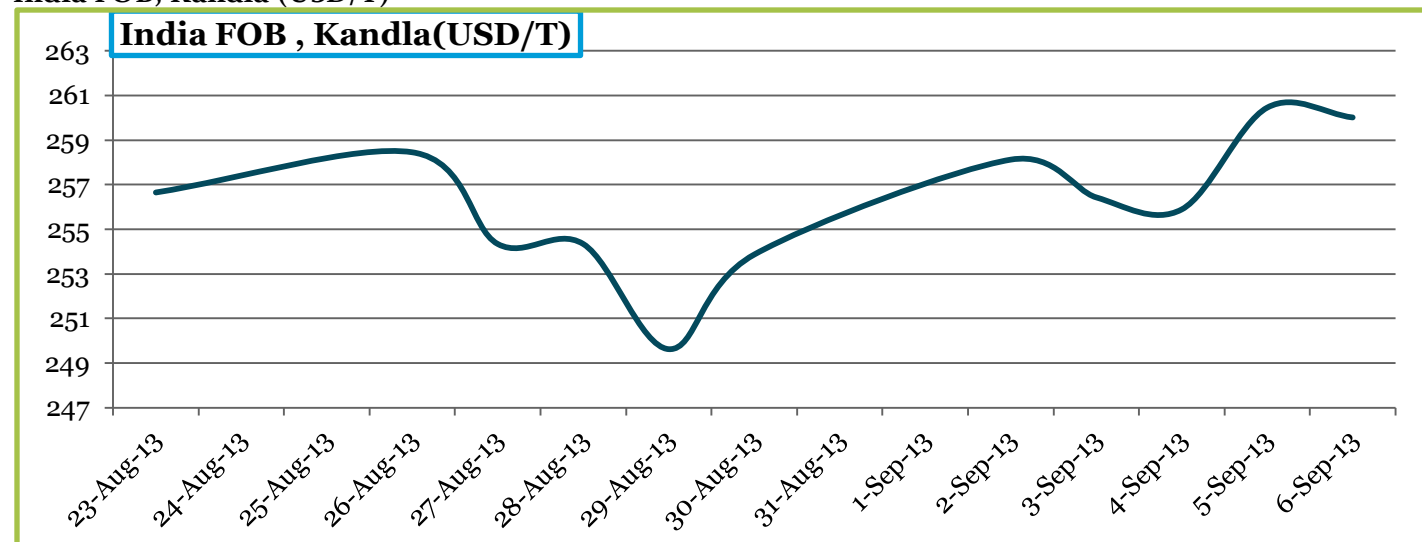
(Figures in Lakh Tonnes)

FOB Value as on 07.09.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15650	15150	14300	16000	15000	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)	16850	16800	16700	17950	17050	15200	19100
Indian FOB (USD/MT)	255.46	254.70	253.18	272.13	258.49	230.44	289.57
Insurance @ 0.1%	0.26	0.25	0.25	0.27	0.26	0.23	0.29
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	273	273	271	290	276	248	308
INR	65.96	65.96	65.96	65.96	65.96	65.96	65.96
Russian Wheat FOB (USD/MT)	243	243	243	243	243	243	243
Parity on FOB Basis (USD/MT)	-12	-12	-10	-29	-15	13	-47

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

	7 Sept, 2013	Week ago 31 Aug 13	Month ago 7 Aug 13	Year ago 7 Sept 2012	Change over previous Year %
Indore	1608	1610	1590	1600	0.47
Bareilly	1553	1570	1550	1550	0.16
Delhi	1606	1583	1566	1550	3.60
Khanna	1646	1646	1679	1613	2.03
Kanpur	1553	1540	1518	1550	0.16
Karnal	1500	1500	1500	1614	-7.09
Rajkot	1640	1610	1598	1596	2.76
Kota	1618	1603	1600	1618	-0.03

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
Aug-13*	1.31	265.67	240.16
Total 13-14	27.23	290.43	250.29

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			07.09.2013	31.08.2013	
	Lawrence Road	Mill Quality	1602	1580	22
	Nazafgarh	Mill Delivery Loose	1525	1520	5
	Narella	Mill Delivery Loose	1560	1545	15
Gujarat	Rajkot	Mill Delivery	1565	NA	-
	Ahmadabad	Mill Delivery	1740	NA	-
M.P.	Bhopal	Mill Quality Loose	1500	1500	Unch
	Indore	Mill Delivery	1700	1650	50
Rajasthan	Kota	Mill Quality	1515	1500	15
U.P.	Mathura	Mill Quality Loose	1460	1460	Unch
Punjab	Khanna	Mill Quality Loose	1450	1470	-20
Haryana	Sirsa	Mill Delivery loose	1490	1480	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

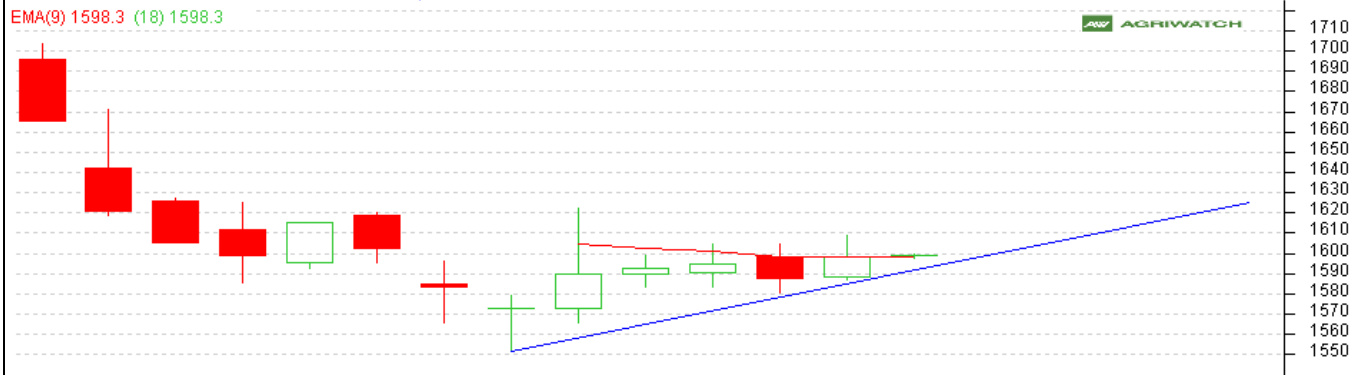
Exchange: NCDEX

Contract: October

Expiry: 18th October, 2013**Wheat (Weekly Chart)**

O 1598.00 H 1600.00 L 1597.00 C 1599.00 V 17019,710 +1 +0.06%

EMA(9) 1598.3 (18) 1598.3

**Technical Commentary:**

- Candle stick chart depicts upward movement in the market.
- Rise in OI and price indicates long buildup.
- Prices closed above 9days EMA.

Strategy: Buy near entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	October	1578	1586	1598	1610	1621
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	October	Buy	Above 1590	1600	1605	1596

*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:

GASC has bought 60,000 MT of Russian wheat for USD 251.80/MT, FOB from Glencore, 60,000 MT of Russian wheat from Olam for USD 251.80/MT, FOB and 60,000 MT of Romanian wheat from Al Alamiya for USD 252/MT, FOB.

South Korea's Samyang Milmax Corp, DongA One Corp and Korea Flour Mills Co together has bought 10,000 MT of U.S. origin soft white wheat for USD 275.41/MT, FOB to be delivered between 10 Nov-10 Dec from Itochu.

Ukraine's grain harvest is expected around 57.9 million tonnes which is more than previous all time high of 56.7 million tonnes in 2011. Exports are expected to be more than 16% more than previous year. Ukraine has exported 1.4 million tonnes of wheat in July-August 2013.

Russia has harvested 39.4 million tonnes of wheat so far and is expected to harvest around 51 million tonnes in this season. Turkey is expected to produce 22 million tonnes of wheat this year as compared to 20.5 million tonnes and 4 million tonnes of wheat is expected to export, as per Agriculture minister.

Argentina wheat belt needs rains in this month at least 50-60mm to ensure good yield. Recent frost has not impacted on the wheat crop. Argentina is expected to harvest 13 million tonnes wheat as compared to previous year crop of 9.8 million tonnes.

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.

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
Production	685	679	653	695	654	687	691
Trade	137	128	126	145	140	139	141
Consumption	645	652	657	696	673	686	688
Carryover stocks	173	199	194	194	174	176	176
Y-O-Y change	41	27	-4	0	-20	1	2
Major Exporters	69	79	74	69	48	50	50

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	09.09.13	Week Ago 02.09.13	Month Ago (Aug)	3 Months Ago (Jun)	Year Ago (Sept)
USA (Gulf)	SRW 2	-20.82	270.80	274.00	266.40	280.00	342.00
France	FCW3	-27.35	249.20	249.50	245.30	270.30	343.00
United Kingdom	Feed wheat	-26.88	241.30	245.40	238.90	266.70	330.00
Australia	CWRS	-12.89	304.00	298.00	295.00	348.53	349.00
Russia	SRW	-24.45	242.50	244.00	247.00	267.00	321.00
Ukraine	SRW	-24.76	240.00	241.50	245.00	264.50	319.00
Argentina	SRW	-17.68	284.00	285.00	265.00	282.00	345.00

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.

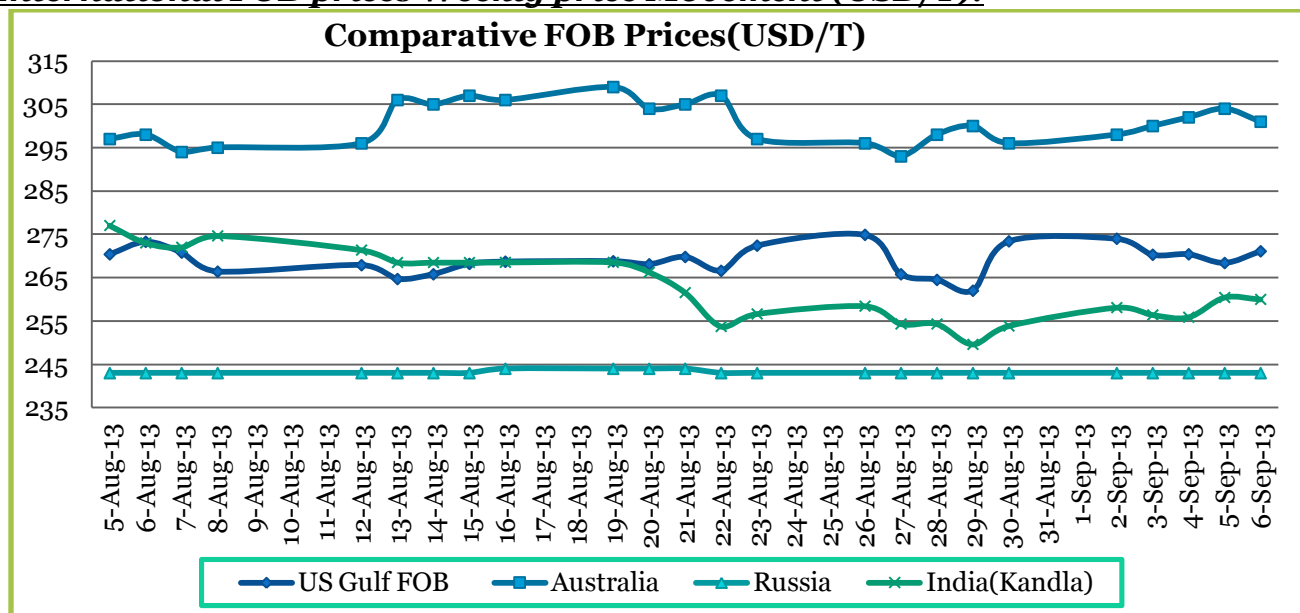
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 09.09.13 (USD/T)							
CONTRACT MONTH	09 Sept 13	Week ago (3 Sept 2013)	1 Month ago (9 Aug 13)	3 Month ago (10 Jun 13)	6 Month ago (11 Mar 13)	1 Year ago (10 Sept 12)	% Change over previous year
13-Sep	231.00	233.85	232.75	256.81	260.21	318.63	-27.50
13-Dec	235.60	237.80	237.80	262.23	265.08	320.28	-26.44
14-Mar	240.10	242.02	242.67	267.65	269.67	321.84	-25.40
14-May	242.94	244.69	245.61	271.42	270.59	316.61	-23.27
14-Jul	241.38	242.58	244.32	273.90	268.11	297.41	-18.84
14-Sep	243.95	245.42	247.44	276.28	269.95	293.09	-16.77

CBOT September 13 weekly Future Chart:



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



International Weather update: (Source-USDA)

Canada- Warm, showery weather maintained generally favorable conditions for reproductive to filling summer crops, as well as pastures, but the moisture was untimely for early harvests.

Australia- In Western Australia, widespread showers continued to benefit winter grains and oilseeds, which are in or nearing the reproductive stages of development. Lighter, more widely scattered showers fell across southeastern Australia, maintaining adequate moisture supplies for wheat.

Argentina- A late-week warm up spurred growth of winter grains, although the warmth raised concern for crops having limited moisture for normal crop development. Weather persisted in most areas during the transition from unseasonable cold to unseasonable warmth, and most areas are in need of rain as crops begin to add vegetative growth.

Russia and Ukraine –Yield prospects for filling summer crops remained below average (particularly in eastern Ukraine and Russia’s Southern District), although an approaching storm at week’s end was promising to provide much-needed soil moisture for 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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