

Domestic Market Updates:

Cash wheat market moved slightly up during the week under review despite exporter's unwillingness to buy at current level. Slightly upward movement in market is mainly attributed to seasonal factors. Stock in private hands starts decreasing at the end of October and bulk buyers are expected to move towards central pool stock to fulfill their lean seasonal demands. Any bull run at this stage is unlikely.

Rake loading from Kota to Kottayam continues at Rs 1900 per qtl., delivered basis. M.P.s wheat is being supplied for same destination at Rs 1875 per qtl. Millers from south India are sourcing wheat from Uttar Pradesh at Rs 1800 to Rs 1850 per qtl.

The CCEA has given its approval for continuation of the ongoing centrally sponsored scheme of national food security mission during 12th five year plan with an allocation of Rs 12,350 crore. It would help in increasing additional food grains production of 10 million T of rice, 8 million T of wheat, 4 million T of pulses and 3 million T of coarse cereals by 2017-18.

In a latest development, Madhya Pradesh govt. has exempted state-owned cooperative agencies from purchase tax on wheat purchase.

Wheat inflation has considerably decreased in August to 7.60% year on year basis from 13.42% in July 2013. Though WPI has decreased marginally 205.3 in August from 206.2 in July 2013

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 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.

At export front nothing new happened during the week and major players stayed inactive in the market due to price gap between Indian wheat and Black Sea region wheat. Even US offers attractive price. At current price export opportunity from India is not very encouraging.

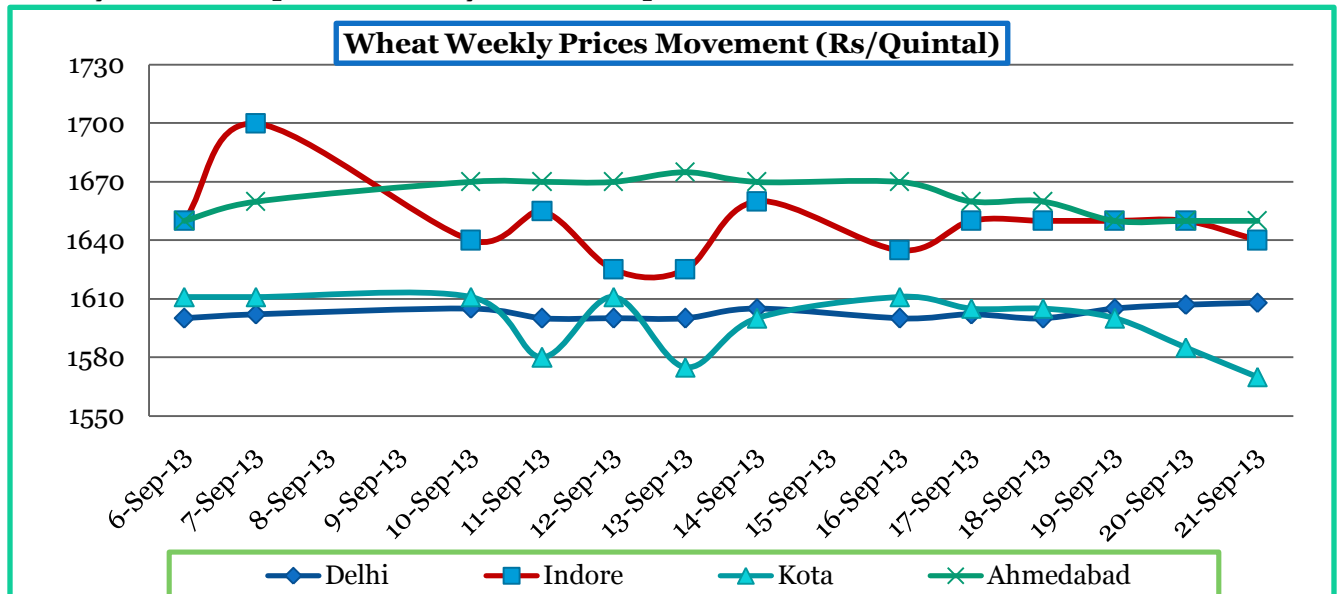
Weather Watch: (Source-IMD)

Seasonal rainfall (in mm) from 1 st June to 22 nd September, 2013			
Region	Actual	Normal	% Departure from LPA
All India	890.7	848.8	5%
East and North East India	984.4	1367.2	-28%
North West India	639.7	594.6	8%
Central India	1119.4	939	19%
South Peninsula	815.6	667.8	22%

Weather Outlook for 26 Sept to 30 Sept 2013:

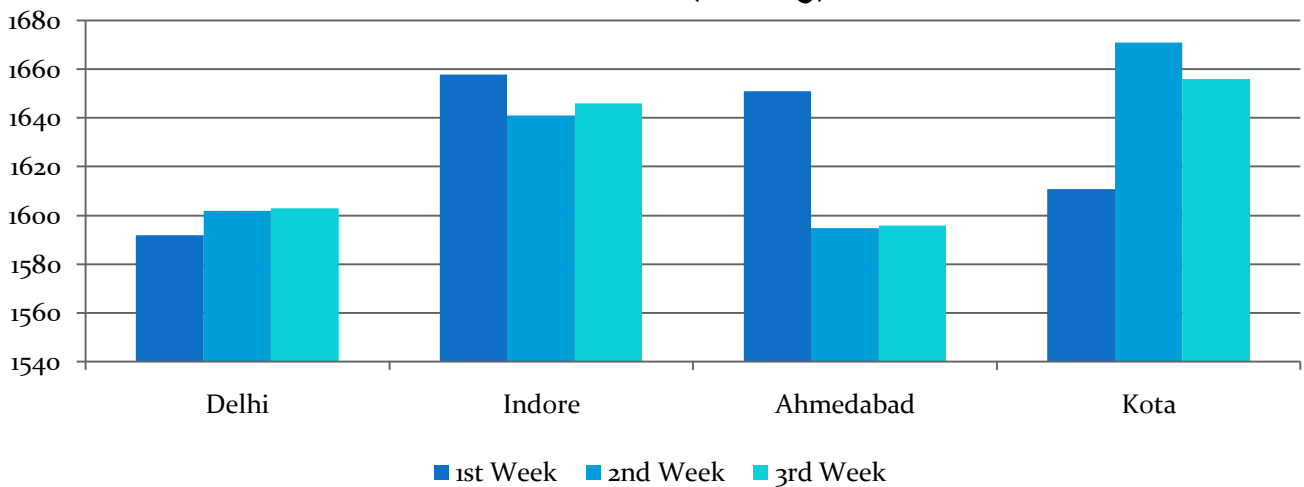
Rain/thundershower would occur at many places over east & northeast India, Gujarat and Andaman & Nicobar Islands. Rain/thundershower would occur at few places over Madhya Pradesh, Lakshadweep and along the West Coast. Rain/thunder showers would occur at isolated places over Uttar Pradesh, East Rajasthan and rest peninsular India. Mainly dry weather over rest parts of the country.

Weekly Prices Comparison To Key Domestic Spot Market:



Wheat prices in Kota and Indore have eased slightly due to lower demand and cheaper availability in Uttar Pradesh. Prices in Delhi and Ahmedabad ruled steady.

September Weekly Average Prices at Key Spot Market (Rs/Q)



Wheat Average prices in key spot markets increased slightly except Kota. However, no major fluctuation is expected at this point of time.

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)

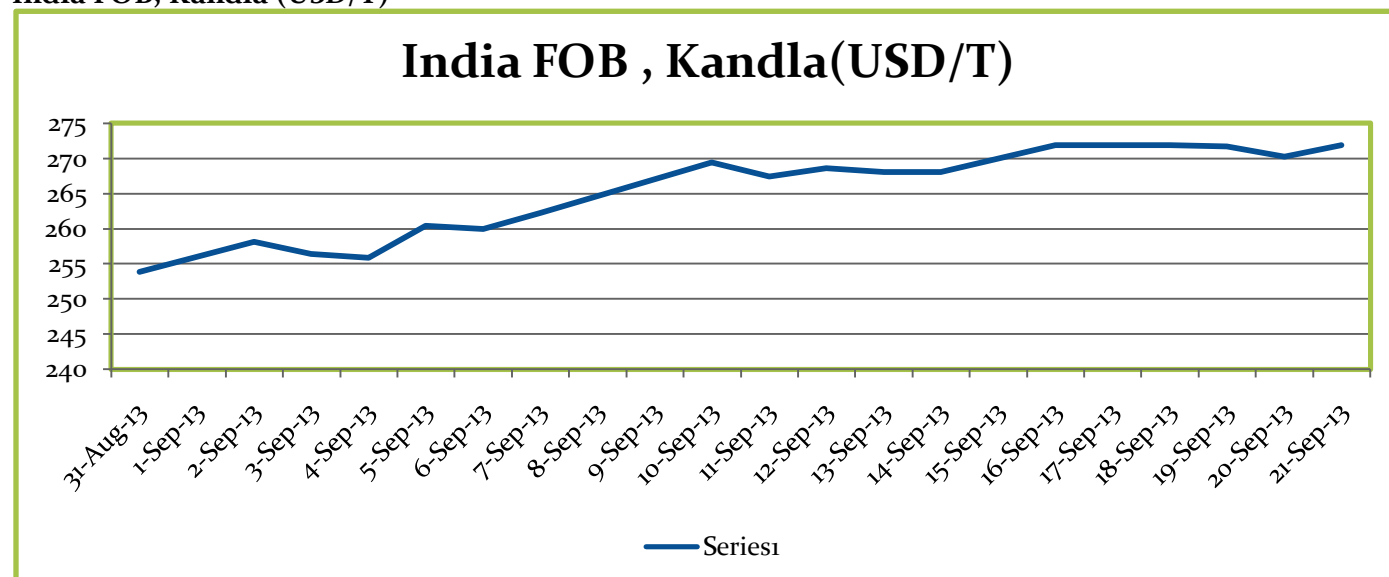
FOB Value as on 21.09.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16500	15700	15500	16400	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)	17700	17350	17900	18350	17050	15200	19100
Indian FOB (USD/MT)	268.34	263.04	271.38	278.20	258.49	230.44	289.57
Insurance @ 0.1%	0.27	0.26	0.27	0.28	0.26	0.23	0.29
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	286	281	289	296	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)	-25	-20	-28	-35	-15	13	-47

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

	21 Sept, 2013	Week ago 14 Sept 13	Month ago 21 Aug 13	Year ago 14 Sept 2012	Change over previous Year %
Indore	1574	1575	-	1540	2.20
Bareilly	1600	1575	-	1510	5.96
Delhi	1607	1605	1578	1517	5.93
Khanna	1646	1646	1646	1450	13.51
Kanpur	1550	1560	-	1450	6.89
Karnal	1540	1515	1493	1400	10
Rajkot	1631	1634	1625	1565	4.21
Kota	1696	1600	-	1650	2.78

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
			21.09.2013	14.09.2013	
Delhi	Lawrence Road	Mill Quality	1608	1605	3
	Nazafgarh	Mill Delivery Loose	1560	1550	10
	Narella	Mill Delivery Loose	1580	1550	30
Gujarat	Rajkot	Mill Delivery	1650	1670	-20
	Ahmadabad	Mill Delivery	1740	1740	Unch
M.P.	Bhopal	Mill Quality Loose	1500	1515	-15
	Indore	Mill Delivery	1640	1660	-20
Rajasthan	Kota	Mill Quality	1500	1500	Unch
U.P.	Mathura	Mill Quality Loose	1470	1460	10
Punjab	Khanna	Mill Quality Loose	1430	1430	Unch
Haryana	Sirsa	Mill Delivery loose	1510	1500	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)



Technical Commentary:

- Candle stick chart depicts market to move up from current level.
- Fall in OI and price indicates long liquidation.
- Prices closed below 10 days EMA. Market is likely to bottom out now.

Strategy: Buy near entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	October	1545	1553	1557	1610	1621
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	October	Buy near	1550	1570	1580	1544

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

Domestic Weekly Outlook: Market is likely to move up from current level.

International Market Updates:

Statistics Canada said that total wheat production in Canada is expected to reach 30.6 million tonnes this year — up 12.9 per cent from 2012. Statistics Canada will release final production estimates for 2013 on Dec. 4.

The latest America projection for Canadian wheat is even higher. In its September world agricultural supply and demand estimate, the U.S. Department of Agriculture, pegged Canadian wheat production at 31.5 million tonnes — up two million tonnes from its August estimate.

As per USDA WASDE report global wheat production is expected to rise to 708.89 million tonnes from previous month forecast of 705.38 million tonnes due to higher expected production in Canada and EU.

Global wheat consumption has been reduced due to lower feed wheat consumption in Korea, Saudi Arabia and Australia. Global wheat ending stocks are expected to increase to 183.41 million tonnes from 181.68 million tonnes due to increase in production and lower consumption.

GASC has bought 235,000 MT of Russian, Ukrainian and Romanian origin wheat for 11-20 November delivery at USD 251.68-254.88/MT, FOB. Flour Mill in Oman has bought 30,000 MT of Russian origin 12.5% protein wheat for USD 285/MT, CNF for November delivery.

ABARES has reduced wheat production forecast for 2013-14 to 24.46 million tonnes from 25.39 million tonnes due to dry weather in eastern wheat belt and mixed weather in Western Australia too had an impact on yield.

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 41 million tonnes of wheat from 60% of sown area so far. 11.5% protein Wheat prices are steady from last week at USD 242-248/MT. Since 1st July Russia has exported 5.1 million tonnes wheat according to IKAR.

IGC Projection:

	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

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.

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	19.09.13	Week Ago 13.09.13	Month Ago (Aug)	3 Months Ago (Jun)	Year Ago (Sept)
USA (Gulf)	SRW 2	-19.00	277	270.70	268.80	282.30	342.00
France	FCW3	-25.01	252.70	249.00	251.80	264.00	337.00
United Kingdom	Feed wheat	-26.40	241.40	240.80	236.60	254.60	328.00
Australia	CWRS	-13.69	299.00	300.00	309.00	348.87	346.44
Russia	SRW	-23.99	244.00	242.50	242.50	257.50	321.00
Ukraine	SRW	-24.14	242.00	240.00	240.00	255.00	319.00
Argentina	SRW	-14.49	295.00	284.00	285.00	275.00	345.00

Despite some improvement in FoB quotes wheat market is likely to trade under pressure as supply is likely to increase world over.

CBOT FUTURES CONTRACT:

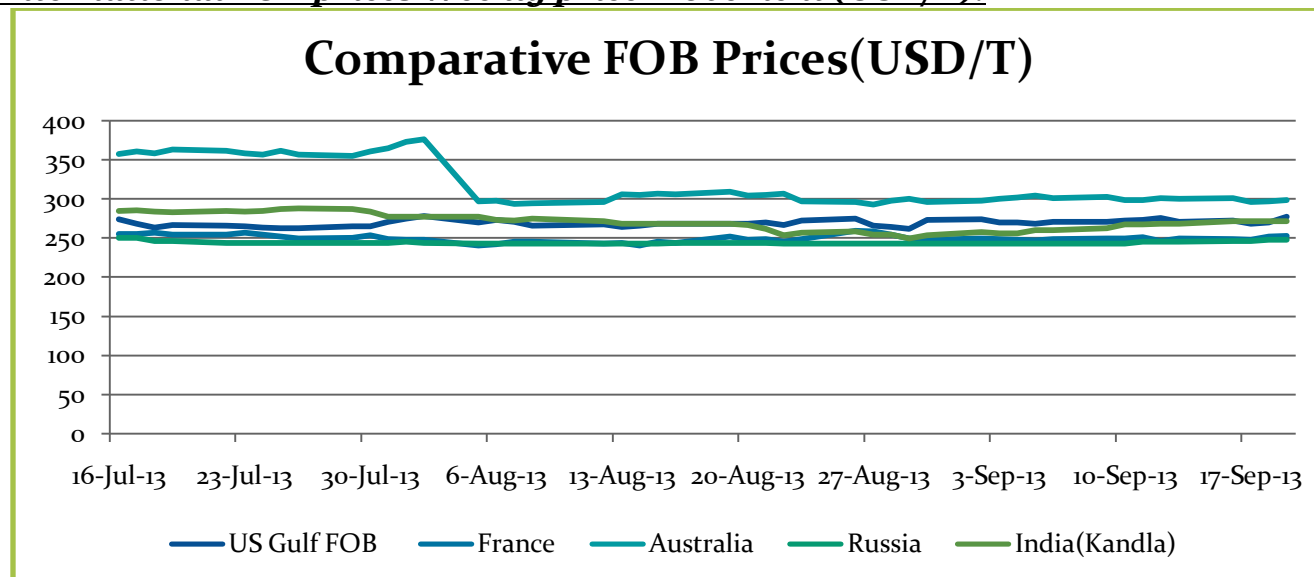
CBOT Futures Prices: Date: 21.09.13 (USD/T)							
CONTRACT MONTH	21 Sept 13	Week ago (13 Sept 2013)	1 Month ago(21 Aug 13)	3 Month ago(21 Jun 13)	6 Month ago(21 Mar 13)	1 Year ago(21 Sept 12)	% Change over previous year
13-Dec	237.43	235.69	234.68	256.45	267.74	329.65	-27.97
14-Mar	241.38	239.64	238.53	259.02	267.28	333.60	-27.64
14-May	243.49	241.57	242.76	263.43	269.21	332.68	-26.81
14-Jul	241.57	241.20	245.06	268.57	273.44	320.19	-24.56
14-Sep	243.40	243.49	243.40	271.88	277.85	320.37	-24.03
14-Dec	247.35	246.34	247.17	273.71	278.40	322.85	-23.39

CBOT December 13 Future Chart:



CBOT market may trade in between 640 to 660 cent per bushel in the short term. The nearest support is at 640 and resistance at 660 cent per bushel.

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:

Global market would under pressure on higher production estimate by USDA supported by bumper production in Australia ,Canada and higher marketable surplus in black sea region.

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