

Domestic Market Updates:

Cash wheat market reeled under pressure during the week on the back of better prospect of supply side in the months ahead despite seasonal factors. Stock allocation from central pool through OMSS for various consuming states will continue to reign market. Short supply through private channel is likely to be compensated by govt.'s stock and allocations.

Stocks in private hand are ample for the short term requirements. However, it will start decreasing from mid October and tight supply may occur at October end. It would enhance off take from central pool stock. In a latest development Madhya Pradesh govt. has exempted state-owned cooperative agencies from purchase tax on wheat purchase.

In a recent development govt has allocated one lakh T of wheat for distribution from the beginning of Oct. for Gujarat at Rs 1566 per qtl. It is expected to control fluctuations in market. Govt. is trying to ensure ample supply throughout the lean season.

Rake loading for south Indian market continues from Rajasthan at Rs 1885 to Rs 1895 per qtl. on delivered basis. Under emerging scenario and govt's continuous efforts wheat price may dip Rs 30 to Rs 40 per qtl more from current level. Festive demand for wheat products is likely to increase. However, higher supply would not allow cash market to get firmer.

According to traders local millers are buying wheat at Rs 1400-1425/Q in Khanna region. Wheat is reaching Pune at Rs 1800-1825/Q, delivered basis from Kanpur region. Traders in Rajkot are sourcing wheat from Kota region at Rs 1800-1850/Q, delivered basis.

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.

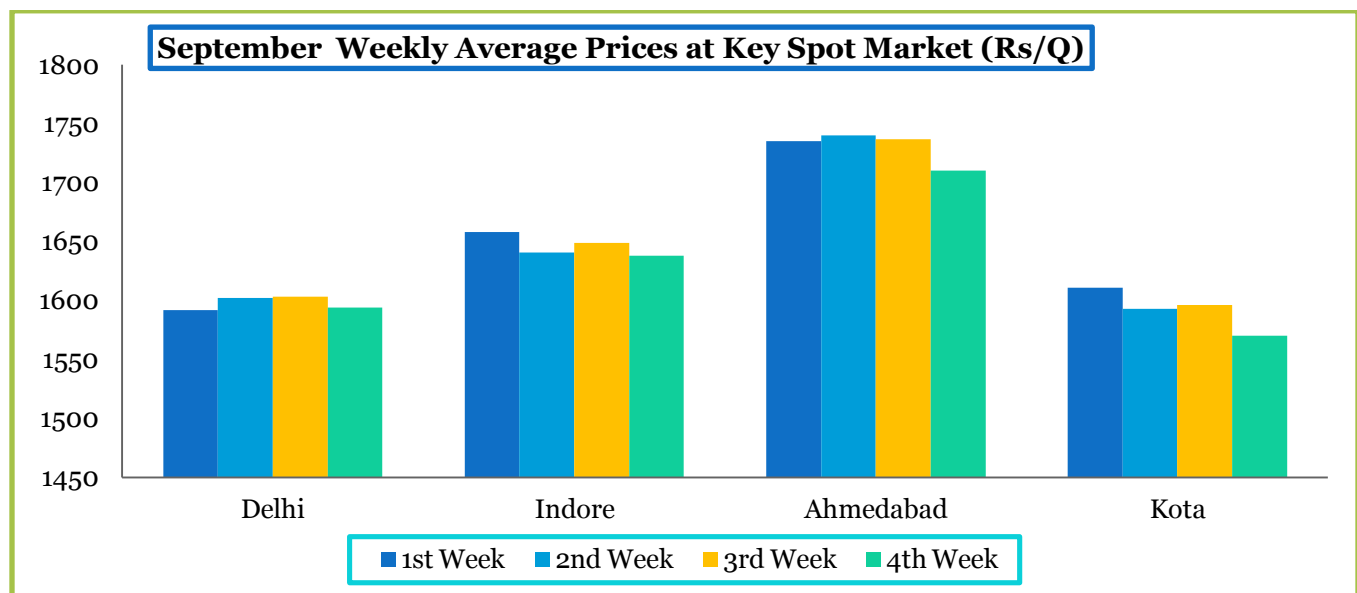
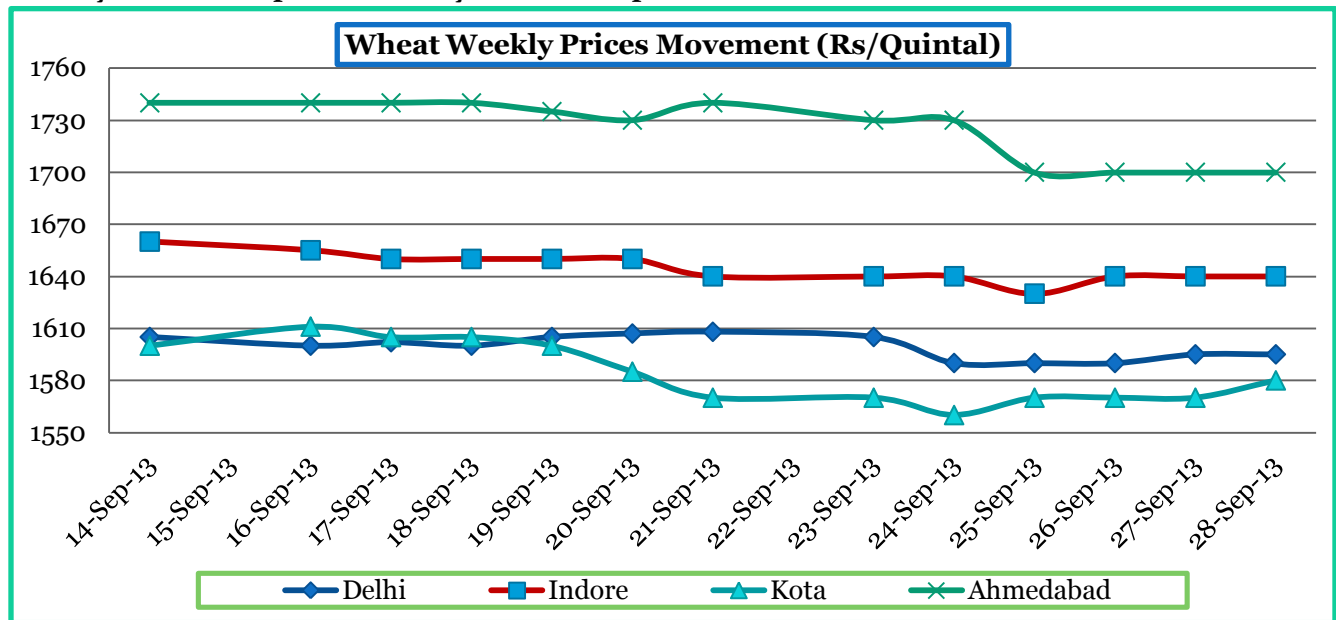
Weather Watch: (Source-IMD)

Seasonal rainfall (in mm) from 1 st June to 28 th September, 2013			
Region	Actual	Normal	% Departure from LPA
All India	924.20	878.90	5%
East and North East India	1016.20	1423.70	-29%
North West India	659.70	612.00	8%
Central India	1182.50	967.20	22%
South Peninsula	821.00	703.50	17%

Weather Outlook for 2 Oct to 6 Oct 2013:

Rain/thundershower would occur at many places over Chhattisgarh, Madhya Pradesh, Maharashtra and eastern states. Rain/thundershower would occur at a few places along west coast, over Gujarat states, east Uttar Pradesh and northeastern states. Isolated rainfall would occur over Haryana, west Uttar Pradesh and peninsular India.

Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat market traded steady to slightly weak owing to increased supply from government stock and slack demand.

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

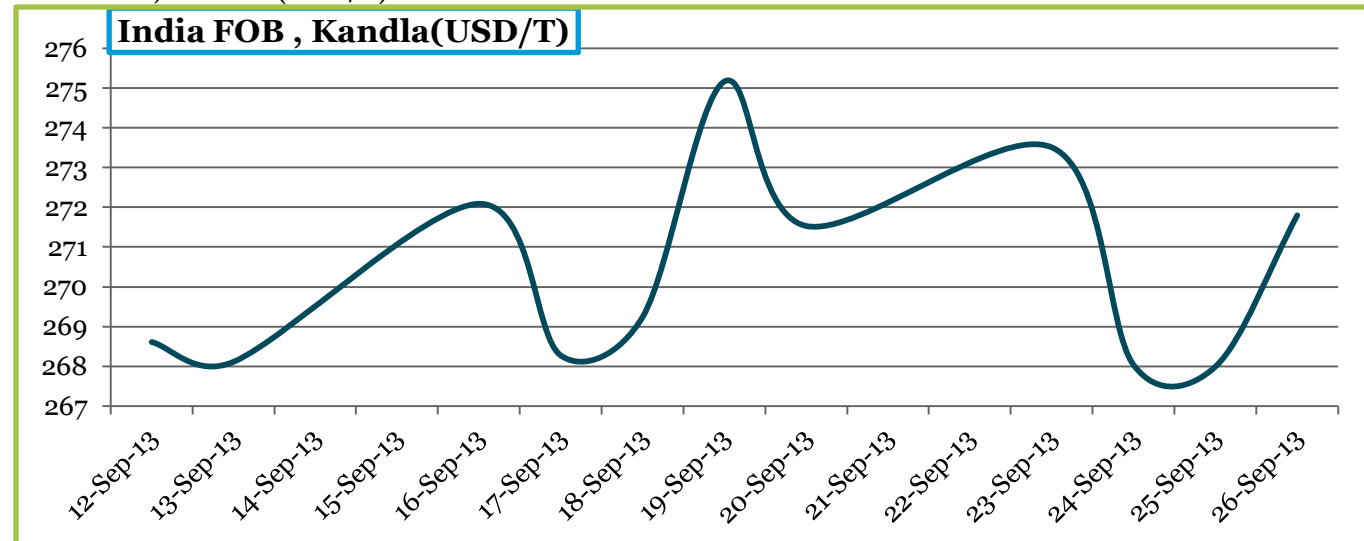
(Figures in Lakh Tonnes)

FOB Value as on 28.09.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15550	14950	14200	15750	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)	16750	16600	16600	17700	17050	15200	19100
Indian FOB (USD/MT)	270.99	268.56	268.56	286.36	275.85	245.91	309.01
Insurance @ 0.1%	0.27	0.27	0.27	0.29	0.28	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	289	287	287	304	294	264	327
INR	61.81	61.81	61.81	61.81	61.81	61.81	61.81
Russian Wheat FOB (USD/MT)	243	243	243	243	243	243	243
Parity on FOB Basis (USD/MT)	-28	-26	-26	-43	-33	-3	-66

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

	28 Sept, 2013	Week ago 21 Aug 13	Month ago 29 Aug 13	Year ago 28 Sept 2012	Change over previous Year %
Indore	1575	1574	1615	1459	7.95
Bareilly	1600	1600	1540	1550	3.23
Delhi	1597	1607	1584	1459	9.46
Khanna	1644	1646	1662	1602	2.62
Kanpur	1530	1550	1545	1400	9.29
Karnal	1585	1540	1500	1500	5.67
Rajkot	1622	1631	1610	1537	5.53
Kota	1618	1596	1600	1519	6.52

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			28.09.2013	21.09.2013	
	Lawrence Road	Mill Quality	1595	1608	-13
	Nazafgarh	Mill Delivery Loose	1550	1560	-10
	Narella	Mill Delivery Loose	1565	1580	-15
Gujarat	Rajkot	Mill Delivery	1630	1650	-20
	Ahmadabad	Mill Delivery	1720	1750	-30
M.P.	Bhopal	Mill Quality Loose	NA	1500	-
	Indore	Mill Delivery	1640	1640	Unch
Rajasthan	Kota	Mill Quality	1580	1570	10
U.P.	Mathura	Mill Quality Loose	1465	1470	-5
Punjab	Khanna	Mill Quality Loose	1425	1430	-5
Haryana	Sirsa	Mill Delivery loose	1505	1510	-5

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 1560.00 H 1565.00 L 1530.00 C 1542.00 V 8,030 I 5,060 -17 -1.09%

EMA(9) 1578.3 (18) 1578.3

**Technical Commentary:**

- Candle stick chart depicts downward movement in the market.
- Fall in OI and price indicates Long Liquidation.
- Prices closed below 9days EMA.

Strategy: Sell near entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	October	1520	1528	1542	1575	1586
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	October	Sell	Below 1560	1540	1530	1565

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

Domestic Weekly Outlook: Market is likely to trade steady to slightly weak owing to increase in supply from government stock.

International Market Updates:

Unlike domestic market, global wheat markets have improved slightly on the back of increasing possibility of crop loss in Argentina due to dry spell. As per latest weather update there is no chance of rains in next 15 days there and if dryness persists, considerable crop loss is a visible possibility.

Besides, some other bullish factors like freight increase for Brazil to China (surge by 0.2% to USD31.008 per tonne and Australia to China voyage increase by 3.8% to USD 13.855 per tonne) may add support to global wheat market. However, any bull run is unlikely due to good crop prospects in other major wheat producing countries.

In a tender issued by Iraq's state grain buying agency to buy 50000 MT wheat, lowest bid was offered at USD 310.31/MT, CNF for Ukrainian origin wheat. In a tender issued by Tunisia's state grain buying agency to buy optional origin Durum wheat, Tunis bought 25,000 tonnes at USD 352.48/MT CNF, 17000 tonnes at USD 354.80/MT C&F and 17,000 tonnes at USD 356.20/MT, CNF.

Chinese domestic prices have hit record high to lack of high quality wheat. Prices have increased by 9% after the latest harvest hit the market in June. China has already bought 6 million tonnes of US wheat and might buy more from Canada and Australia to quell rising prices.

New crop of Australian standard wheat was quoted around USD 300-310/MT, CNF Southeast Asia, up around USD 10 from last week. Australian prime wheat was being offered around USD 315-317/MT and Australian hard wheat at USD 330/MT.

Australian wheat is also in strong demand as its spread with Black Sea wheat has narrowed in Asia. Australian standard wheat is selling at premium of USD 12-15 to Black Sea wheat, down from a spread of USD 30 a tonne a couple of weeks ago.

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.

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:

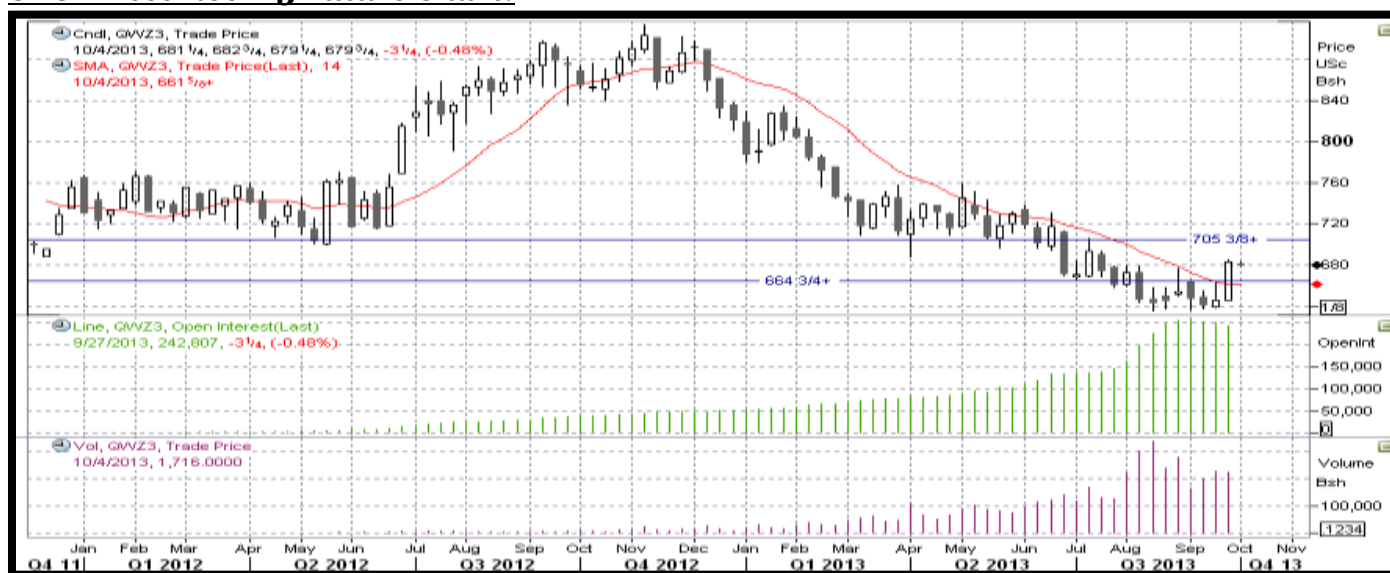
	Variety	% Change over Prev. Year	26.09.13	Week Ago 19.09.13	Month Ago (Aug)	3 Months Ago (Jun)	Year Ago (Sept)
USA (Gulf)	SRW 2	-15.99	291.50	277.00	274.90	267.70	347.00
France	FCW3	-22.92	259.00	252.70	258.80	264.90	336.00
United Kingdom	Feed wheat	-22.84	250.00	241.40	240.10	247.10	324.00
Australia	CWRS	-17.23	293.00	299.00	300.00	356.63	354.00
Russia	SRW	-26.57	246.00	242.50	242.50	252.50	335.00
Ukraine	SRW	-26.51	244.00	240.00	240.00	250.00	332.00
Argentina	SRW	-8.28	310.00	295.00	284.00	272.00	338.00

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.

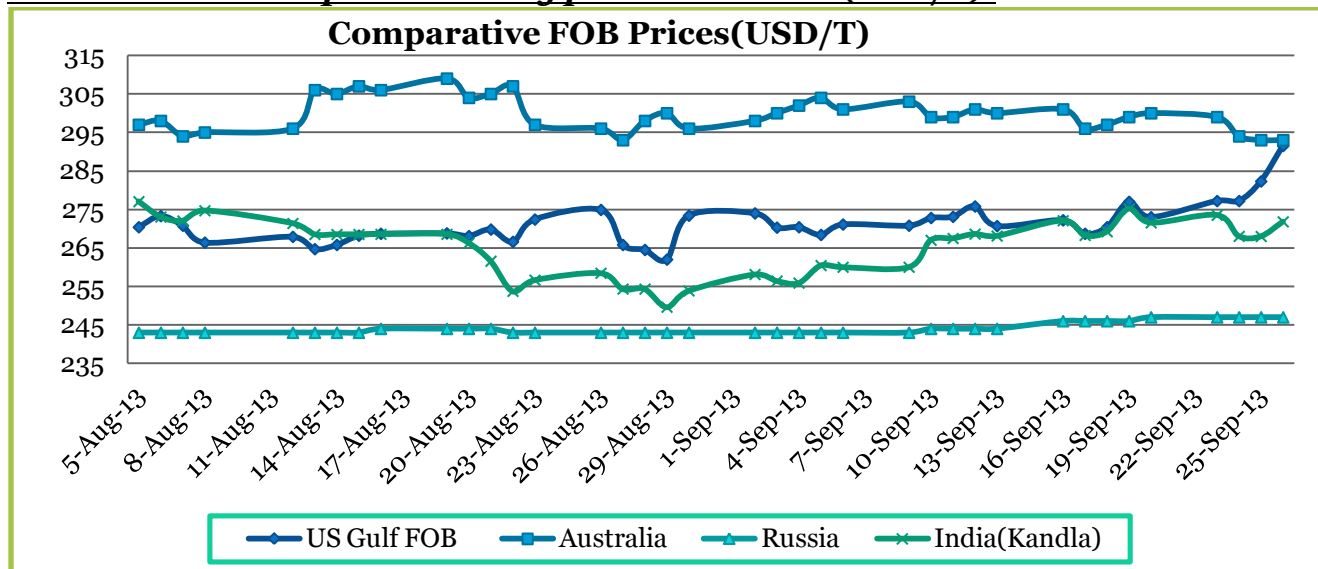
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 27.09.13 (USD/T)							
CONTRACT MONTH	27 Sept 13	Week ago (20 Sept 2013)	1 Month ago (27 Aug 13)	3 Month ago (27 Jun 13)	6 Month ago (27 Mar 13)	1 Year ago (27 Sept 12)	% Change over previous year
13-Dec	250.93	237.43	243.86	253.14	276.93	311.10	-19.34
14-Mar	254.06	241.38	248.27	258.28	280.79	313.21	-18.89
14-May	255.07	243.49	250.84	261.68	281.43	306.41	-16.76
14-Jul	251.39	241.57	248.73	262.97	278.49	290.25	-13.39
14-Sep	252.95	243.40	252.40	265.26	280.05	284.92	-11.22
14-Dec	256.08	247.35	256.54	267.83	283.63	288.96	-11.38

CBOT December 13 Future Chart:



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



International Weather update: (Source-USDA)

Australia- Widespread rains returned to the Western and Southeastern wheat belt increasing the prospects of better yield for winter wheat. Temperatures in Australia's major agricultural areas averaged near to slightly above normal helping spur crop development.

Canada- First autumn freeze was later than usual, and warmer weather prior to the freeze enabled most late-planted spring grains and oilseeds to reach maturity and avoid losses in yield potential.

Argentina- After several weeks of unseasonable warmth, cooler conditions prevailed, slowing winter grain development. Weekly average temperatures were 3 to 4°C below normal throughout the country's main agricultural areas. Temperatures fell below freezing as far north as northern Cordoba, with nighttime lows approaching -5°C at some places.

Russia and Ukraine – Mostly dry weather promoted spring wheat harvesting in the west, while unsettled conditions in the east and south slowed fieldwork. Mostly dry weather (rainfall less than 5 mm) in the southeastern Volga District facilitated spring wheat maturation and harvesting.

International Weekly Outlook:

International market is likely to trade steady to slightly firm on increased demand from China, Iran and Brazil, however in medium term market is expected to remain steady to weak.

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