

### Domestic Market Updates:

**Central government has set new prices for OMSS** that are applicable from 1st Oct 2013. New prices are comparatively higher than last year. With the start of lean season, followed by various festivals cash market is unlikely to dip more from current level in medium term.

**Wheat cash markets at major consuming centers** continued to reel under pressure on the back of comfortable supply side and govt.'s allocation of 10 million T for distribution through OMSS (open market sales scheme) during lean season (Oct. to March 2014).

**In the latest Tender issued by PSU's** for 1.60 lakh tonnes of export, 11 bids were received ranging from USD 250/MT – 267/MT but all below the government export floor price of USD 300/MT. As on 16<sup>th</sup> September wheat stock in central pool was 37.48 million tonnes.

**According to IBIS data**, wheat exports for the month of September 2013 have fallen to 52,343 MT from 9.39 lakh tonnes September 2012 due to high domestic prices and cheaper wheat available from black Sea region.

**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 government 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 1885-1895/Q on delivered basis. Under emerging scenario and govt's continuous efforts wheat price may dip Rs 30 to Rs 40/Q more from current level. Festive demand for wheat products is likely to increase. However, higher supply would not allow cash market to get firmer.

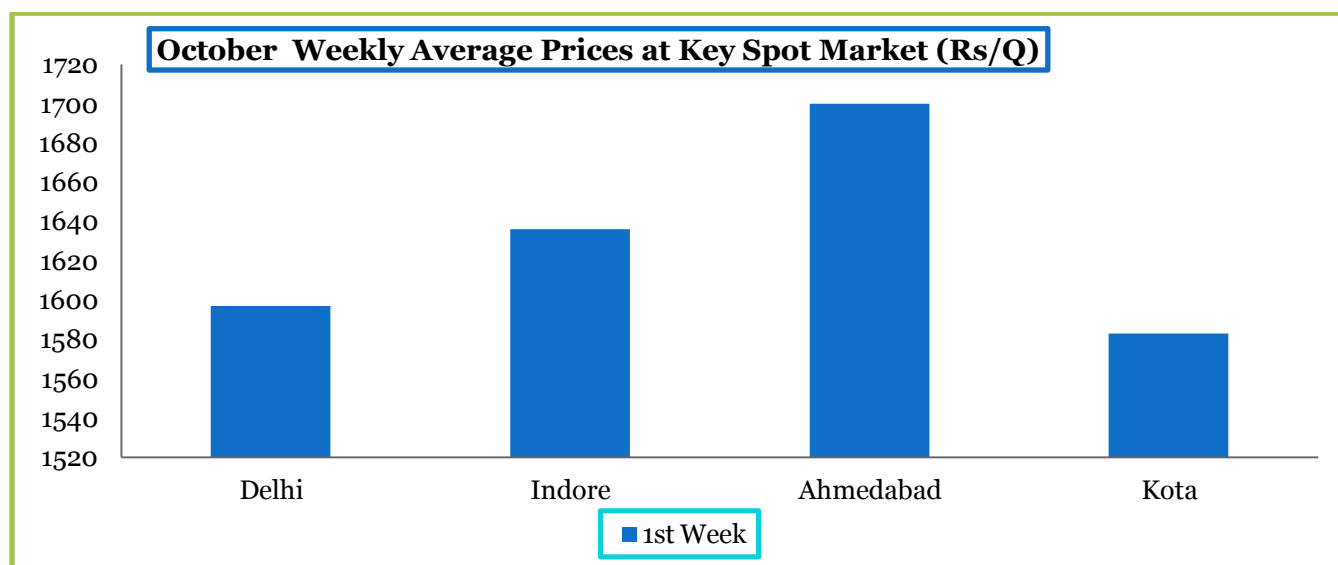
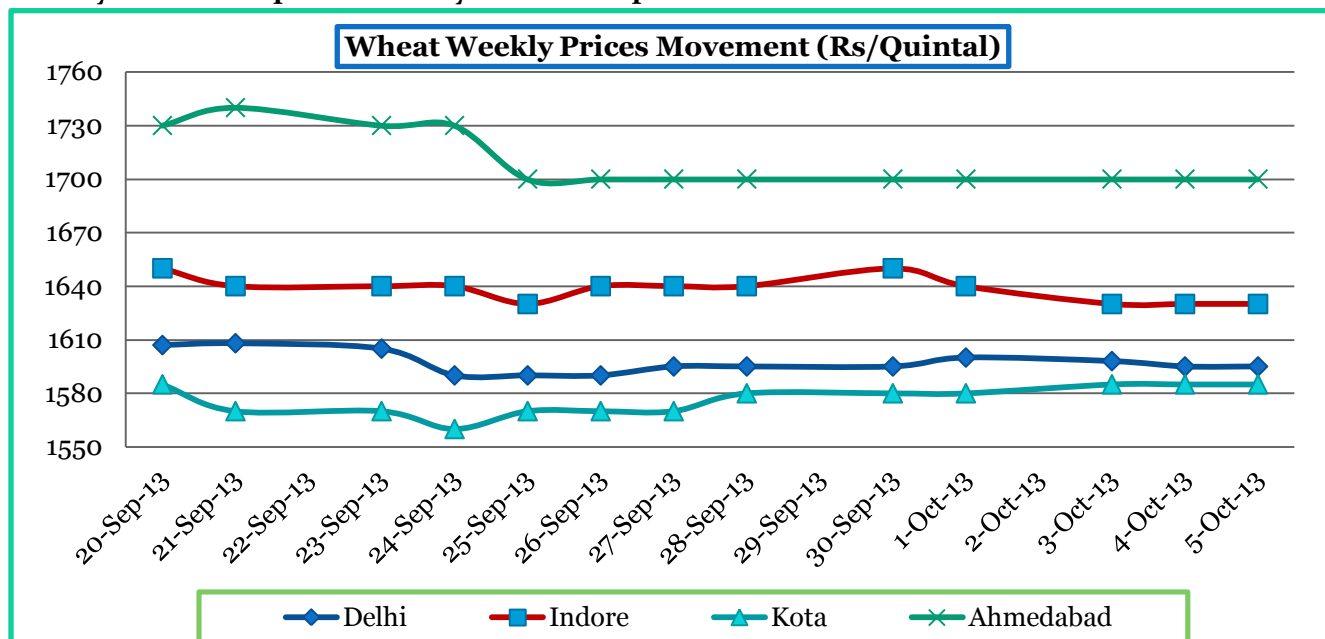
### Weather Watch: (Source-IMD)

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 30 <sup>th</sup> September, 2013			
Region	Actual	Normal	% Departure from LPA
<b>All India</b>	<b>936.70</b>	<b>886.90</b>	<b>6%</b>
East and North East India	1037.90	1437.80	-28%
North West India	671.80	615.00	9%
Central India	1195.30	974.20	23%
South Peninsula	825.60	715.70	15%

### Weather Outlook for 10 Oct to 14 Oct 2013:

Rain/thundershower would occur at many places Andaman & Nicobar Islands, central and adjoining peninsular and east India. Rain/thundershower would occur at a few places over rest peninsular India and northeastern states. Weather would be mainly dry over most parts of northwest 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
<b>TOTAL</b>	582.24	7.09	589.33
COARSE GRAINS	0.27	0.00	0.27
SUGAR	0.002	0.00	0.002
<b>GRAND TOTAL</b>	582.51	7.09	589.60

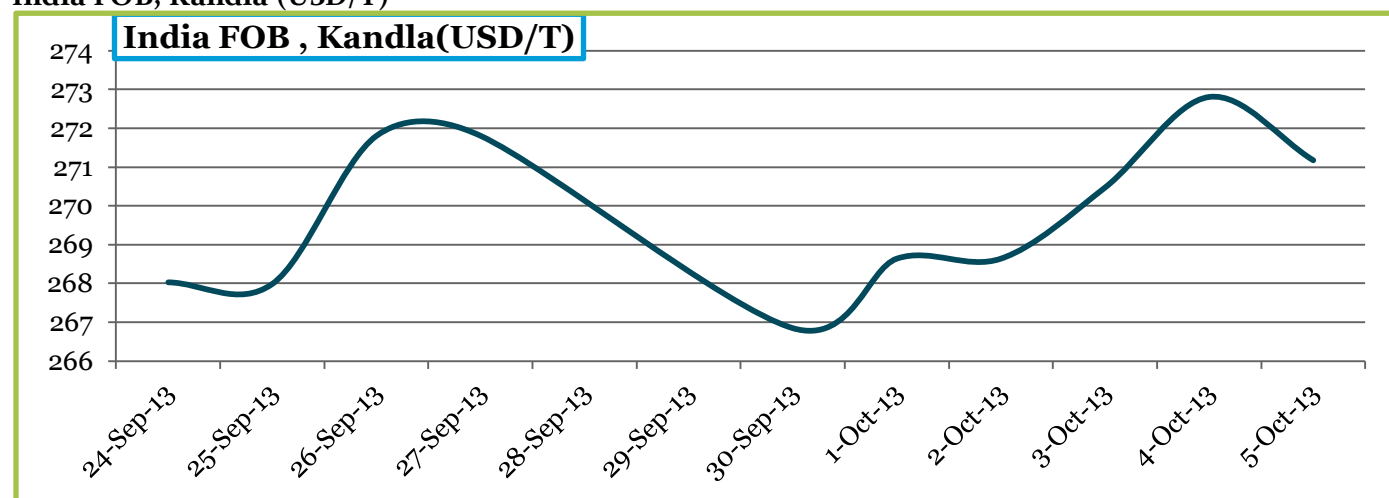
(Figures in Lakh Tonnes)

**FOB Value as on 05.10.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15550	14900	14500	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	16550	16900	17700	17050	15200	19100
Indian FOB (USD/MT)	<b>272.80</b>	<b>269.54</b>	<b>275.24</b>	<b>288.27</b>	<b>277.69</b>	<b>247.56</b>	<b>311.07</b>
Insurance @ 0.1%	0.27	0.27	0.28	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)	291	288	293	306	296	266	329
INR	61.4	61.4	61.4	61.4	61.4	61.4	61.4
Russian Wheat FOB (USD/MT)	<b>243</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>-30</b>	<b>-27</b>	<b>-32</b>	<b>-45</b>	<b>-35</b>	<b>-5</b>	<b>-68</b>

**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 %
<b>Indore</b>	NA	1575	1590	1578	-
<b>Bareilly</b>	1580	1600	1600	1580	Unch
<b>Delhi</b>	1597	1597	1597	1600	-0.21
<b>Khanna</b>	1657	1644	1646	1604	3.29
<b>Kanpur</b>	1535	1530	1558	1500	2.33
<b>Karnal</b>	1580	1585	1540	1550	1.94
<b>Rajkot</b>	1622	1622	1645	1575	2.98
<b>Kota</b>	NA	1618	1605	1562	-

**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	8.24	291.51	252.7
July-13*	3.03	282.82	243.62
Aug-13*	1.31	265.67	240.16
Sept-13*	0.52	267.21	241.05
<b>Total 13-14</b>	<b>30.08</b>	<b>286.56</b>	<b>248.59</b>

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

**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			05.10.2013	28.09.2013	
Delhi	Lawrence Road	Mill Quality	1595	1595	Unch
	Nazafgarh	Mill Delivery Loose	1540	1550	-10
	Narella	Mill Delivery Loose	1560	1565	-5
Gujarat	Rajkot	Mill Delivery	1635	1630	5
	Ahmadabad	Mill Delivery	1700	1720	-20
M.P.	Bhopal	Mill Quality Loose	1600	NA	-
	Indore	Mill Delivery	1630	1640	-10
Rajasthan	Kota	Mill Quality	1580	1580	Unch
U.P.	Mathura	Mill Quality Loose	1465	1465	Unch
Punjab	Khanna	Mill Quality Loose	1420	1425	-5
Haryana	Sirsa	Mill Delivery loose	1505	1505	Unch

**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: October

Exchange: NCDEX  
Expiry: 18<sup>th</sup> October, 2013

**Wheat (Weekly Chart)****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: Buy near entry level**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	October	1520	1528	1540	1565	1576
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	October	<b>Buy</b>	Above 1535	1550	1560	1530

\*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:

**Ukraine's 2014-15 wheat crop may fall to 15 million tonnes** from 22 million tonnes in 2013-14 due to heavy rains which could possibly lower the area under wheat and farmers may shift from Wheat to Maize due to better yield for Maize. Ukraine had sown about 2.2 million hectares of winter wheat as of September 30 which is 32 percent of the forecast area. Farms sowed 4.6 million hectares of winter wheat by the same date in 2012.

**Food and Agriculture Organization (FOA) has reduced** the global wheat production to 704.60 million tonnes from previous estimate of 709.80 million tonnes owing to damage to the crop in South America (Argentina and Brazil) from frost and excessive rains in Ukraine and Russia which is hampering the harvest.

**According to Crop forecaster Lanworth global** wheat production is expected at 706 million tonnes, an increase of 2 million tonnes owing to better yield prospects from Canada and Australia.

**IGC latest reports have forecasted** global wheat production at 693 million tonnes as compared to 691 million tonnes as crop prospects has improved in CIS and EU. Trade remains unchanged at 141 million tonnes and Consumptions has been reduced by 1 million tonnes to 687 million tonnes. Carryover stocks are expected to increase to 180 million tonnes from 176 million tonnes in previous forecast owing to rise in production.

**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.

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
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### Indicative FOB Quotes:

	Variety	% Change over Prev. Year	02.10.13	Week Ago 25.09.13	Month Ago (Sept)	3 Months Ago (July)	Year Ago (Oct)
<b>USA (Gulf)</b>	SRW 2	<b>-14.85</b>	294.10	282.30	274.00	258.30	345.40
<b>France</b>	FCW3	<b>-22.79</b>	258.90	258.90	249.50	252.40	335.30
<b>United Kingdom</b>	Feed wheat	<b>-21.21</b>	254.40	249.20	245.40	241.60	322.90
<b>Australia</b>	CWRS	<b>-16.98</b>	292.00	293.00	298.00	356.75	351.72
<b>Russia</b>	SRW	<b>-25.60</b>	250.00	248.00	242.50	243.00	336.00
<b>Ukraine</b>	SRW	<b>-25.75</b>	248.00	246.00	240.00	241.50	334.00
<b>Argentina</b>	SRW	<b>-11.43</b>	310.00	295.00	284.00	273.00	350.00

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 in medium term.

### CBOT FUTURES CONTRACT:

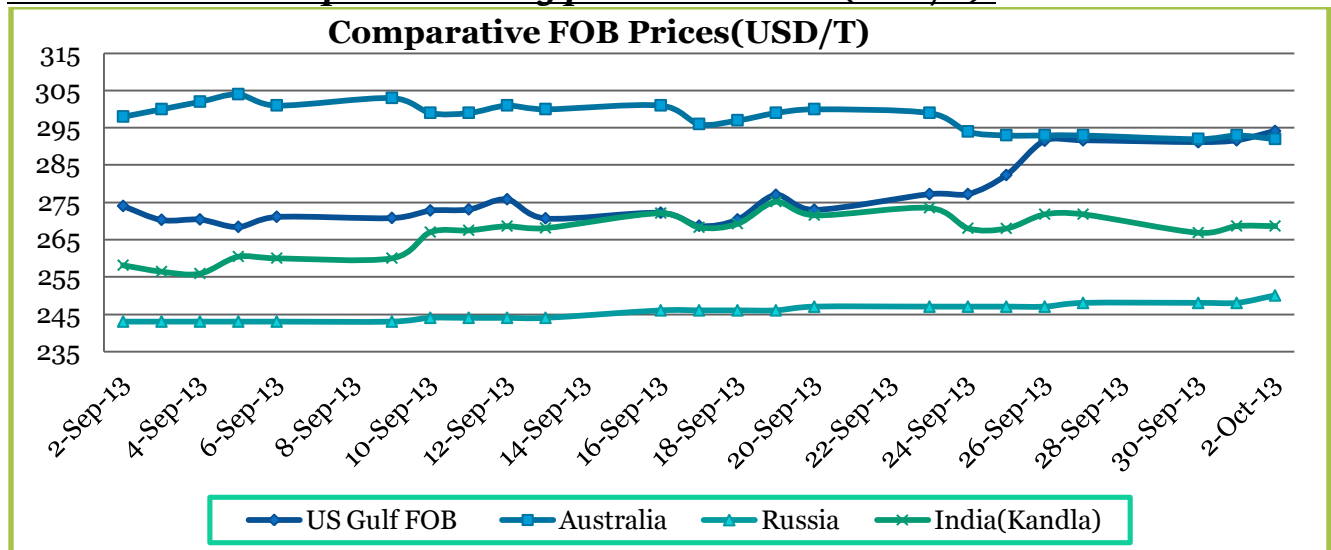
CBOT Futures Prices: Date: 04.10.13 (USD/T)							
CONTRACT MONTH	04 Oct 13	Week ago (27 Sept 2013)	1 Month ago(4 Sept 13)	3 Month ago(5 Jul 13)	6 Month ago(4 Apr 13)	1 Year ago(04 Oct 12)	% Change over previous year
<b>13-Dec</b>	252.40	250.93	237.43	246.34	265.26	314.49	<b>-19.74</b>
<b>14-Mar</b>	255.80	254.06	242.12	251.03	270.41	316.79	<b>-19.25</b>
<b>14-May</b>	257.82	255.07	244.96	252.95	273.16	308.62	<b>-16.46</b>
<b>14-Jul</b>	254.88	251.39	242.85	254.06	275.00	295.57	<b>-13.77</b>
<b>14-Sep</b>	256.90	252.95	245.79	256.08	277.75	297.50	<b>-13.65</b>
<b>14-Dec</b>	260.76	256.08	250.29	258.83	267.01	299.16	<b>-12.83</b>

### 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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