

Domestic Market Updates:

Domestic wheat market is likely to trade firm in near term owing to seasonal demand and increase in OMSS price.

Wheat MSP has been raised by Rs 50/Q from Rs 1350/Q to Rs 1400/Q for 2014-15 marketing year.

Wheat inflation has fallen to 5.90% in September 2013 from 7.60% in August 2013 though WPI has increased to 210.10 in September from 205.30 in August 2013.

Private traders has sold 30,000 MT of 12% Protein Indian Milling Wheat at USD 285 and 13% protein milling wheat at USD 315/MT, to be delivered by November. This is the first export deal since late august according to the traders.

As of 1st October wheat in Central pool was 36.1 million tonnes as compared to 43.15 million tonnes. North Zone has the highest stock of 26.94 million tonnes. Punjab has the 13.3 million tonnes in its stock followed by Haryana at 8.63 million tonnes.

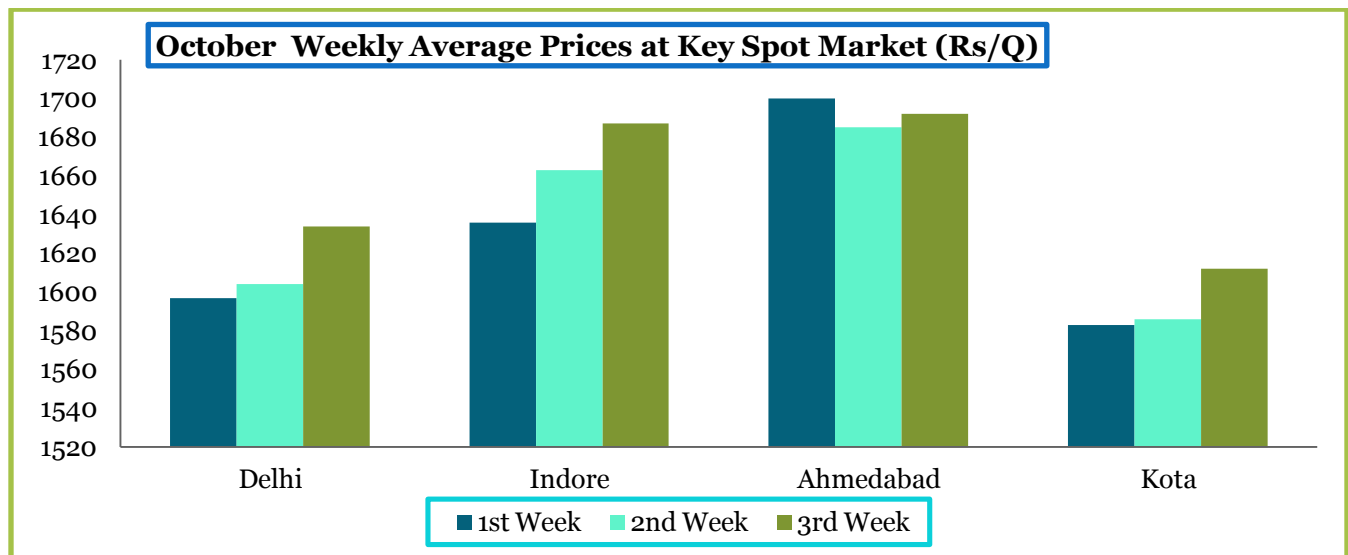
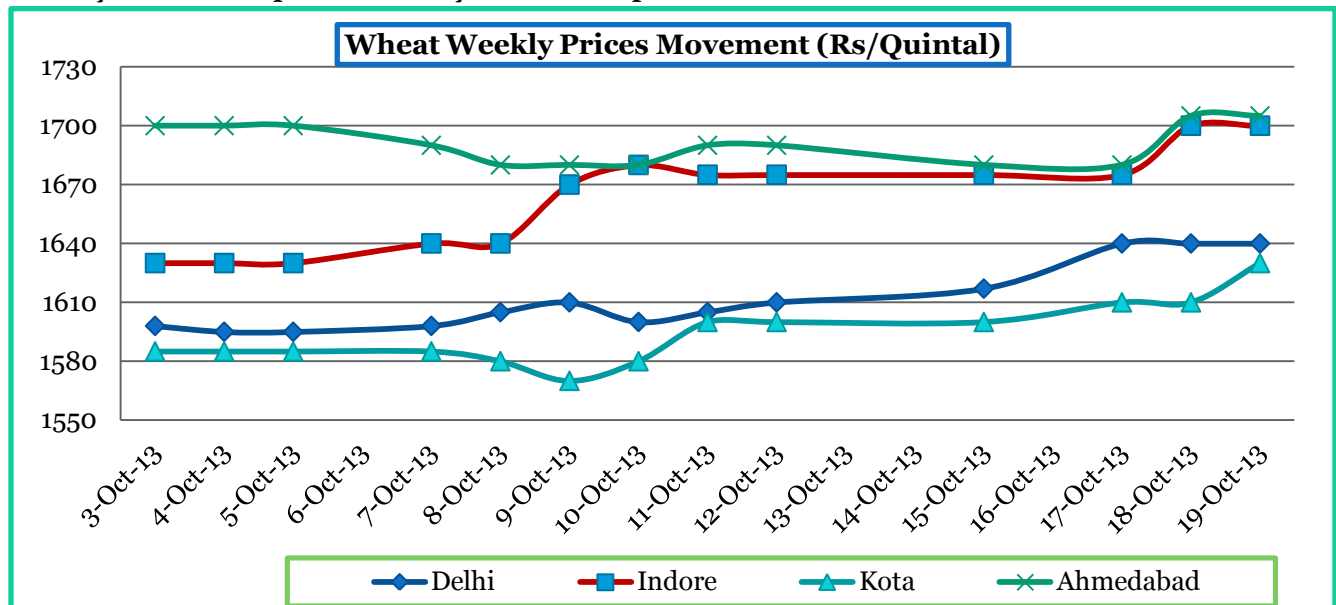
New OMSS price applicable from 1st Oct. 2013 for M.P has been revised up from Rs 1414 to Rs 1635 per qtl. Despite hefty increase of 15.62 percent in reserve price traders may opt for buying wheat from FCI stock through tender. Wheat for M.P gets premium over other varieties and local traders will start taking part in auction after mid Oct.FCI has allocated two lakh tonnes of wheat to gauge the market temperament.

Wheat in local market is available at around Rs 1550/Q .However, traders' interest to buy wheat from government stock at higher price is taking ground now as stock in private hands is shrinking and traders will start getting parity in Malwa region at this price. They can deliver it in south India in between Rs 1850-1900/Q. Lower freight from Malwa region to south Indian destination would make off take viable from Malwa region given the current market scenario and seasonal factors. We expect wheat market to move slightly up from current level as new reserve prices for various states would lend support to cash wheat market to some extent in the weeks ahead.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at many places over Kerala, Tamilnadu and south Andhra Pradesh.
- Rain/thundershowers would occur at a few places over coastal and south interior Karnataka, Andaman & Nicobar Islands and Lakshadweep.
- Rain/thundershowers would occur at isolated places over Gangetic West Bengal and Odisha during next 24 hours and at a few places thereafter.
- Weather would be mainly dry/dry over rest of the country.

Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat market traded steady to slightly firm owing to increased OMSS price by government and increased demand for festive season.

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.10.2013:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.23	0.00	8.23
NORTH EAST ZONE	0.58	0.00	0.58
NORTH ZONE	98.94	170.54	269.48
SOUTH ZONE	5.55	0.00	5.55
WEST ZONE	21.63	51.92	73.55
TOTAL	138.54	222.46	361.00

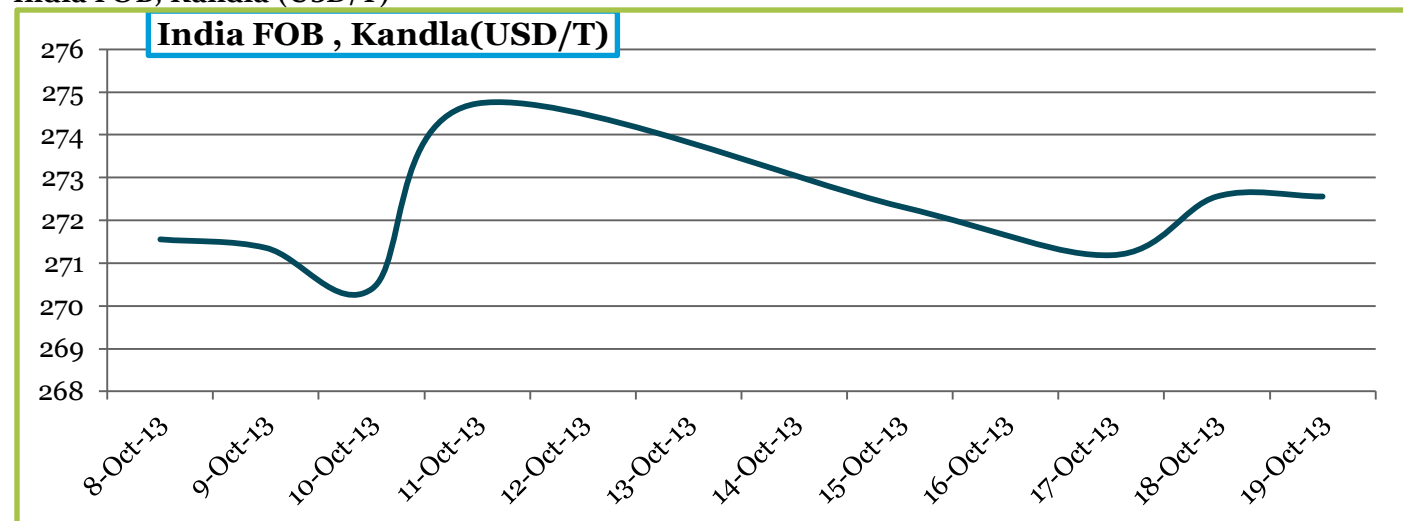
(Figures in Lakh Tonnes)

FOB Value as on 19.10.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15600	15300	15100	16000	15750	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	16950	17500	17950	17800	15200	19100
Indian FOB (USD/MT)	273.26	275.70	284.65	291.96	289.53	247.23	310.67
Insurance @ 0.1%	0.27	0.28	0.28	0.29	0.29	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	291	294	303	310	308	265	329
INR	61.48	61.48	61.48	61.48	61.48	61.48	61.48
Russian Wheat FOB (USD/MT)	262	262	262	262	262	262	262
Parity on FOB Basis (USD/MT)	-11	-14	-23	-30	-28	15	-49

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

	19 Oct, 2013	Week ago 12 Oct 13	Month ago 19 Sept 13	Year ago 19 Oct 2012	Change over previous Year %
Indore	1683	1650	1573	1550	8.58
Bareilly	1645	1620	1570	1560	5.45
Delhi	1633	1608	1607	1582	3.22
Khanna	1667	1657	1646	1618	3.03
Kanpur	1600	1560	1543	1500	6.67
Karnal	1540	1543	1550	1545	-0.32
Rajkot	1670	1636	1623	1515	10.23
Kota	1630	1629	1609	1538	5.98

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	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
Total 13-14	30.08	286.56	248.59

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			19.10.2013	12.10.2013	
Delhi	Lawrence Road	Mill Quality	1640	1610	30
	Nazafgarh	Mill Delivery Loose	1610	1550	60
	Narella	Mill Delivery Loose	1600	1555	45
Gujarat	Rajkot	Mill Delivery	1705	1690	15
	Ahmadabad	Mill Delivery	1705	1690	15
M.P.	Bhopal	Mill Quality Loose	1550	1525	25
	Indore	Mill Delivery	1700	1675	25
Rajasthan	Kota	Mill Quality	1525	1515	10
U.P.	Mathura	Mill Quality Loose	1525	1475	50
Punjab	Khanna	Mill Quality Loose	1450	1425	25
Haryana	Sirsa	Mill Delivery loose	1510	1500	10

Commodity: Wheat
Contract: November

Exchange: NCDEX
Expiry: 20th November, 2013

Wheat (Weekly Chart)



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: Sell near entry level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	November	1575	1584	1610	1630	1636
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	November	Sell	Below 1620	1600	1590	1625

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

Domestic Weekly Outlook: Market is likely to trade steady to firm due to increase in OMSS price and festive demand .

International Market Updates:

Dry weather in recent days has prompted farmers to speed up wheat harvesting and sowing. For 2014 winter harvest 12.1 million hectares of winter grain has been sown as compared to 15.1 million hectares last year at the same time. As on 17th October 52.2 million tonnes of wheat has been harvested.

Flour Millers from Malaysia and Indonesia has bought 35,000 MT of US white and spring wheat at USD 300-360/MT, CIF.

French farmers has sown 39% of soft wheat area for next year harvest by 14th Oct which is 23% more from previous week and 18% more at the same time last year, as per France Agri Ministry.

Persistent drought has hampered the wheat sowing in China's Henan province which accounts for one-fourth of China's wheat production. Second largest wheat producing province Shandong has also slowed wheat planting owing to little rain. Lower rains can hamper the wheat protein quality.

Russia has harvested 50.5 million tonnes wheat so far, as compared to 39.3 million tonnes same time last year. Russia has exported 6.3 million tonnes wheat since January to August 2013 as compared to 2.9 million tonnes last year at the same time.

Domestic wheat prices has increased considerably in Argentina owing to lower production in 2012-13 and expected lower production this year due to frost has pushed prices up.

In a 50,000 MT wheat tender issued by Bangladesh's state grains buyer agency it has received the lowest offer of USD 297.26/MT, CIF liner out submitted by domestic trading company Ismail Food Products while South Korea's Daewoo International came in second with an offer of USD 302/MT.

Ukrainian farmers may speed up winter wheat sowing after heavy rains in recent times. As on 7th Oct 3.6 million hectares of winter wheat has been sown, 54% of the forecasted sown area and last year at the same time 5.6 million hectares area was sown.

Russian winter grain area may be reduced by 3 million hectares in 2014 owing to heavy rains in key growing region to 13 million hectares as compared to 16 million hectares this year, this might reduce Russia wheat output for 2014.

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	18.10.13	Week Ago 11.10.13	Month Ago (Sept)	3 Months Ago (July)	Year Ago (Oct)
USA (Gulf)	SRW 2	-	NA	295.50	270.40	264.00	343.70
France	FCW3	-	NA	NA	251.40	256.80	339.80
United Kingdom	Feed wheat	-	NA	NA	243.10	256.90	323.80
Australia	CWRS	-17.83	281.00	285.00	297.00	357.99	341.97
Russia	SRW	-22.02	262.00	254.00	242.50	243.00	336.00
Ukraine	SRW	-22.16	260.00	252.00	240.00	241.50	334.00
Argentina	SRW	-	NA	315.00	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.

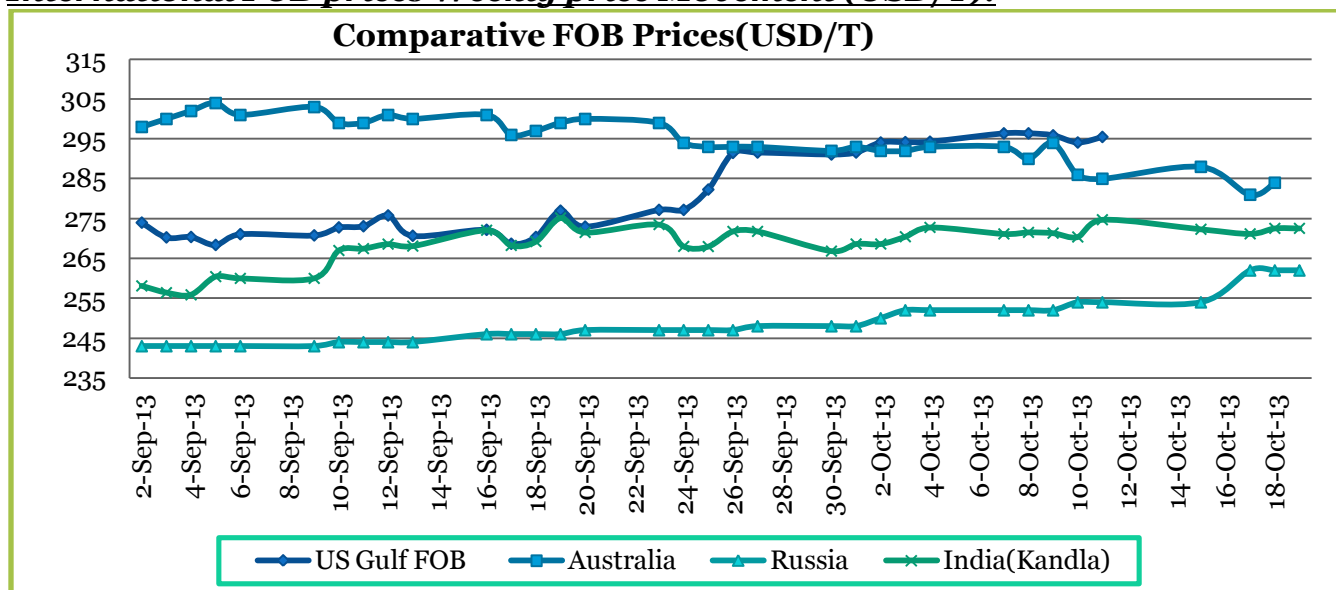
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 18.10.13 (USD/T)							
CONTRACT MONTH	18 Oct 13	Week ago (11 Oct 2013)	1 Month ago (18 Sept 13)	3 Month ago (18 Jul 13)	6 Month ago (18 Apr 13)	1 Year ago (18 Oct 12)	% Change over previous year
13-Dec	259.29	254.33	237.52	247.26	267.28	315.41	-17.79
14-Mar	262.51	257.55	241.57	251.39	272.06	317.62	-17.35
14-May	263.24	258.19	243.49	254.06	273.80	309.99	-15.08
14-Jul	258.19	254.42	241.84	253.05	274.72	297.13	-13.11
14-Sep	260.03	256.72	243.49	255.89	276.38	297.78	-12.68
14-Dec	263.15	260.76	246.43	260.12	279.50	307.61	-14.45

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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