

Domestic Market Updates:

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

Bumper wheat production is expected in 2013-14 owing to good and extended monsoon, providing sufficient soil moisture for wheat plantation which is likely to begin by early November. Farmers and Traders expect wheat production may remain well above government target of 92.5 million tonnes if weather remains favorable in Jan-Feb 2014.

According to the traders, in wheat tender issued by government under OMSS scheme bid of Rs 1640/Q were received against the reserve price of Rs 1637/Q in M.P. Almost 1600 Quintal were purchased by traders against 50000 Quintals of allocated quantity.

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.

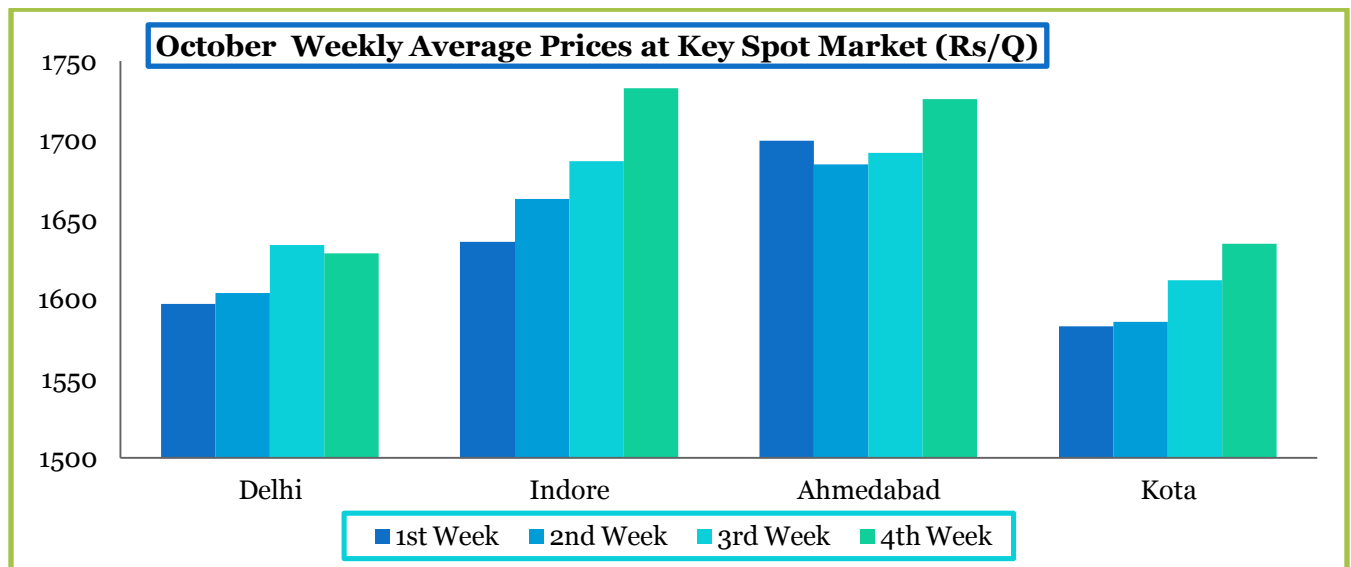
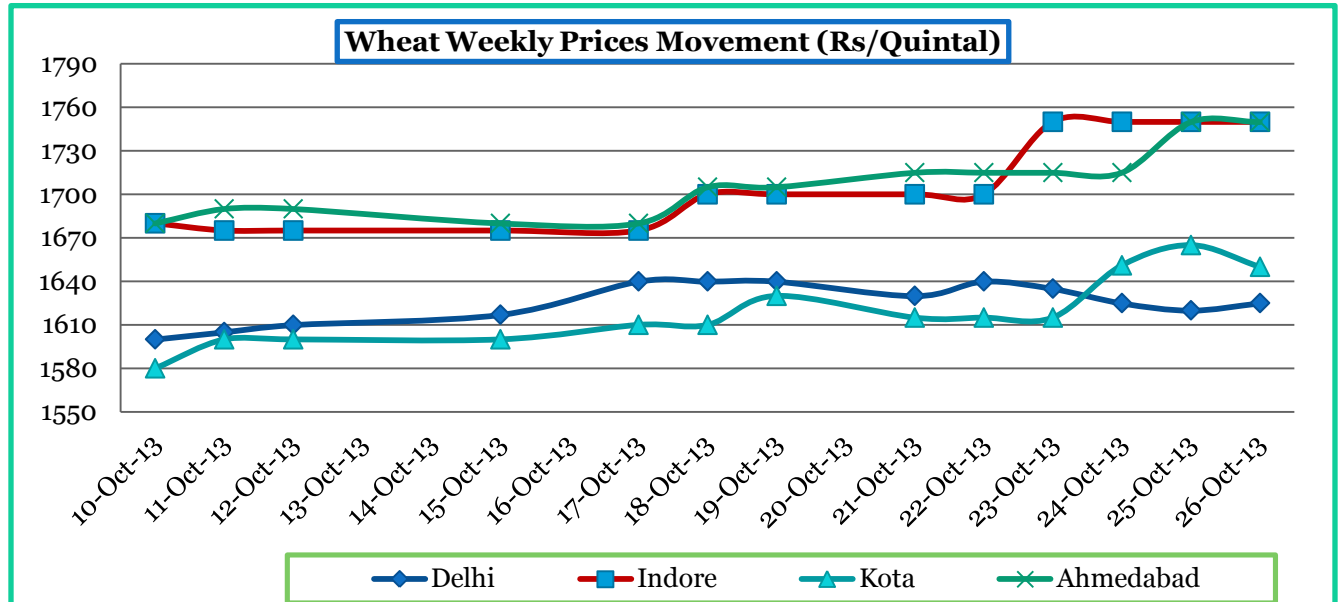
As of 1st October wheat in Central pool was 36.1 million tonnes as compared to 43.15 million tonnes. North Zone has the highest stock of 26.94 million tonnes. Punjab has the 13.3 million tonnes in its stock followed by Haryana at 8.63 million tonnes.

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.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at many places over south peninsular India and at isolated places over northeastern states.
- Rain/snow would occur at isolated places over Jammu & Kashmir.
- Weather would be mainly dry over rest parts 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

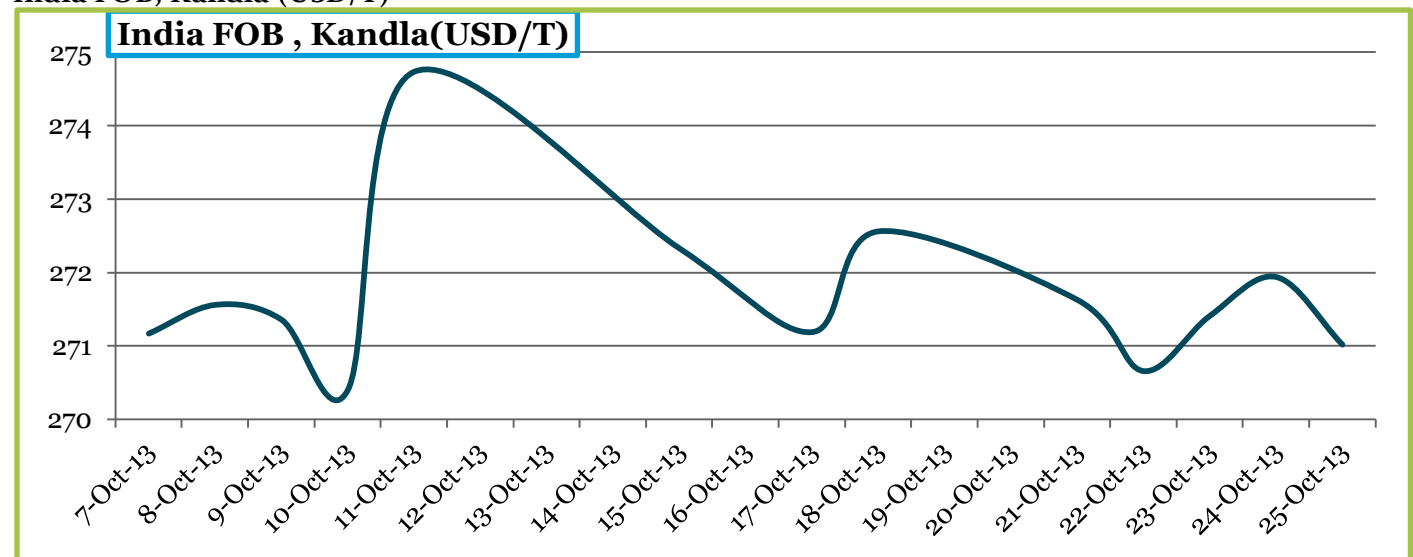
(Figures in Lakh Tonnes)

FOB Value as on 26.10.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15800	15650	15200	16500	16000	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)	17000	17300	17600	18450	18050	15200	19100
Indian FOB (USD/MT)	275.88	280.75	285.62	299.42	292.92	246.67	309.96
Insurance @ 0.1%	0.28	0.28	0.29	0.30	0.29	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	294	299	304	317	311	265	328
INR	61.62	61.62	61.62	61.62	61.62	61.62	61.62
Russian Wheat FOB (USD/MT)	262	262	262	262	262	262	262
Parity on FOB Basis (USD/MT)	-14	-19	-24	-37	-31	15	-48

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

	26 Oct, 2013	Week ago 19 Oct 13	Month ago 26 Sept 13	Year ago 25 Oct 2012	Change over previous Year %
Indore	1691	1683	1560	1565	8.05
Bareilly	1650	1645	1575	1530	7.84
Delhi	1620	1633	1595	1580	2.53
Khanna	1673	1667	1646	1624	3.02
Kanpur	1605	1600	1530	1490	7.72
Karnal	1545	1540	1575	1500	3.00
Rajkot	1670	1670	1623	1547	7.95
Kota	1653	1630	1619	1540	7.34

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	4.46	282.82	243.62
Aug-13*	1.31	265.67	240.16
Sept-13*	0.52	267.21	241.05
Total 13-14	31.51	286.56	248.59

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			26.10.2013	19.10.2013	
Delhi	Lawrence Road	Mill Quality	1625	1640	-15
	Nazafgarh	Mill Delivery Loose	1600	1610	-10
	Narella	Mill Delivery Loose	1585	1600	-15
Gujarat	Rajkot	Mill Delivery	1750	1705	45
	Ahmadabad	Mill Delivery	1750	1705	45
M.P.	Bhopal	Mill Quality Loose	1550	1550	Unch
	Indore	Mill Delivery	1750	1700	50
Rajasthan	Kota	Mill Quality	1565	1525	40
U.P.	Mathura	Mill Quality Loose	1475	1525	-50
Punjab	Khanna	Mill Quality Loose	1425	1450	-25
Haryana	Sirsa	Mill Delivery loose	1510	1510	Unch

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:

Russian FOB prices are rising as farmers are holding crop due to anticipation of higher wheat prices. Russia has harvested 53.3 million tonnes of wheat by bunker weight from 95% of sown area. Wheat exports too are expected to fall in October to 2.1 million tonnes from 2.4 million tonnes.

Australian wheat prices have firmed this week owing to damage to standing crop in eastern wheat belt due to frost. Australian prime wheat prices rose by USD 12/MT to USD 297/MT FOB for December delivery and Australian prime hard wheat with 13% protein gained USD 10/MT to USD 355/MT, FOB.

Farmers in France has already sown 54% of soft wheat area for 2014 harvest which is 39% more from previous week and 31% more from last year at the same time.

Iraq has bought 100,000 MT of high quality wheat from Australia at USD 362.50/MT, CNF Free out and 50,000 MT of high quality wheat from Canada at USD 369.50/MT, CNF Free out to be delivered by 28 Jan 2014. Ukrainian wheat was offered at the lowest price but bids were rejected owing to quality concerns as Iraq needs high quality wheat for blending, according to traders.

Lanworth, global crop forecaster has increased global wheat production to 707 million tonnes from 706 million tonnes owing to bigger harvest in Russia. Russia has harvested 52 million tonnes of wheat so far against the expectations of 50-51 million tonnes.

Global wheat market trades slightly firm on growing concern over Argentinean crop. However, firmness is unlikely to continue as supply side remains at comfortable level throughout the world and market is expected to stabilize at current levels.

ABARES expects 24.5 million tonnes wheat crop this year as compared to 22.07 million tonnes last year. However, local market participants and analysts expect over 25 million T under congenial weather conditions from sowing to harvesting stages in Australia.

Bangladesh state grain buying agency has received the lowest bid of USD 311/MT, CIF for 50,000 MT. Singapore based, Export Trading Commodities is said to be the lowest bidder.

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	24.10.13	Week Ago 17.10.13	Month Ago (Sept)	3 Months Ago (July)	Year Ago (Oct)
USA (Gulf)	SRW 2	-15.60	296	294.27	277.20	264.00	348.50
France	FCW3	-	NA	NA	253.30	254.00	346.80
United Kingdom	Feed wheat	-	NA	NA	243.10	256.90	323.80
Australia	CWRS	-15.49	289.00	281.00	294.00	356.30	341.97
Russia	SRW	-23.84	262.00	262.00	247.00	244.00	344.00
Ukraine	SRW	-23.84	260.00	260.00	245.00	242.00	342.00
Argentina	SRW	-	NA	NA	315.00	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.

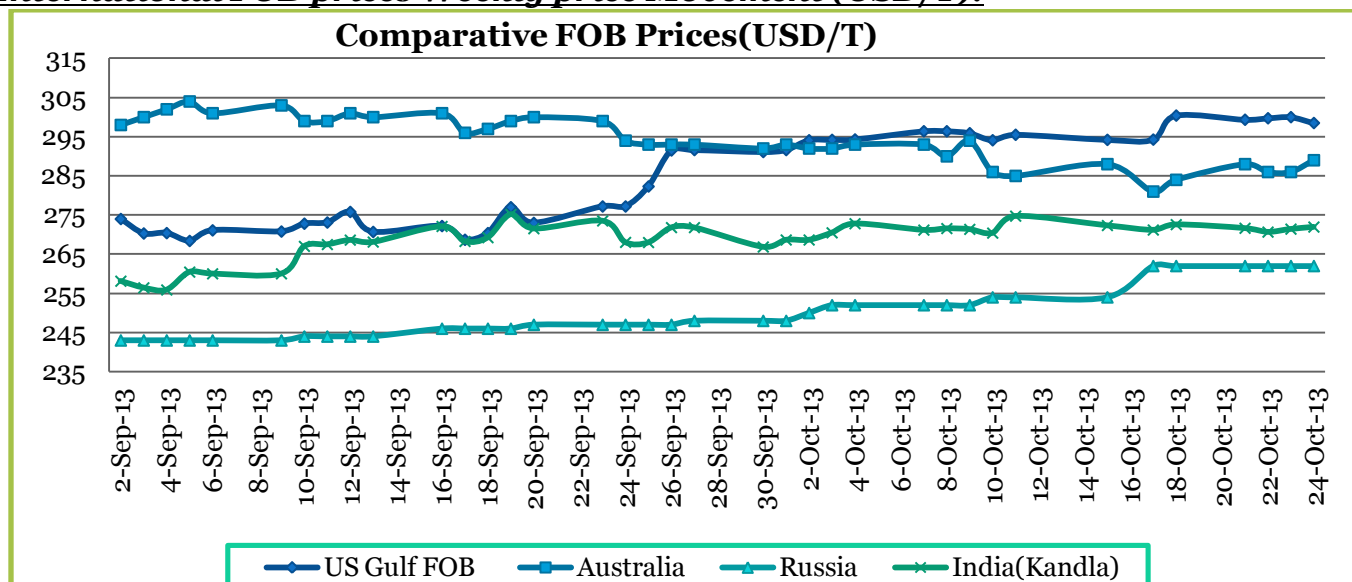
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 25.10.13 (USD/T)							
CONTRACT MONTH	25 Oct 13	Week ago (18 Oct 2013)	1 Month ago (25 Sept 13)	3 Month ago (25 Jul 13)	6 Month ago (25 Apr 13)	1 Year ago (25 Oct 12)	% Change over previous year
13-Dec	253.78	259.29	246.34	242.76	266.73	324.32	-21.75
14-Mar	257.82	262.51	250.11	246.80	271.42	326.43	-21.02
14-May	259.94	263.24	251.85	249.19	273.35	316.33	-17.83
14-Jul	257.73	259.29	248.73	247.81	274.45	303.93	-15.20
14-Sep	260.67	260.03	250.57	250.47	276.10	304.57	-14.41
14-Dec	264.16	263.15	254.15	254.52	279.87	317.62	-16.83

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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