

**Domestic Market Updates:**

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

**Wheat export floor price (as of now USD 300/T) has been** revised down to USD 260 per tonne as per market reports. It will help to increase almost halted export. Govt.'s warehouses are bulging with massive wheat stock (35.18 million T as on 16.10.2013 against the required norms of 14 million tonne till 1st of October). It includes 11 million T buffer norms and 3 million T strategic reserves.

**Wheat stock in central pool warehouses** was registered at 35.18 million T as on 16.10.2013, higher than actual requirement of 14 million tonne on 1st Oct.'2013. The highest accumulated stock is in Punjab (12.82 million T) followed by Haryana (8.28 million Tonne) and Madhya Pradesh (5.65 million tonne) as on 16.10.2013.

**Haryana government has set state** wheat production target at 127.48 lakh tonnes for 2013-14 from 25 lakh hectares. Last year Haryana produced 113.42 lakh tonnes of wheat due to adverse weather condition in January and February.

**Punjab government has set the wheat production** target at 163 lakh tonnes for 2013-14 from 34.7 lakh hectares as compared to 165.91 lakh tonnes from 35.12 lakh hectares in 2012-13.

**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.

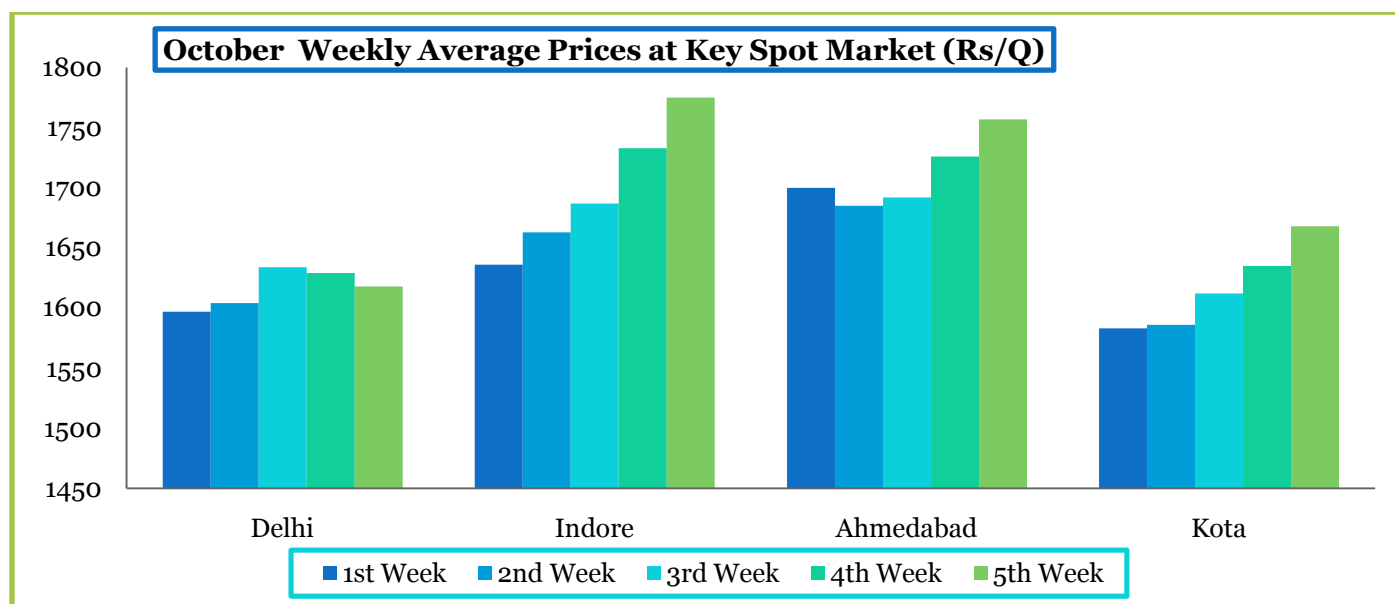
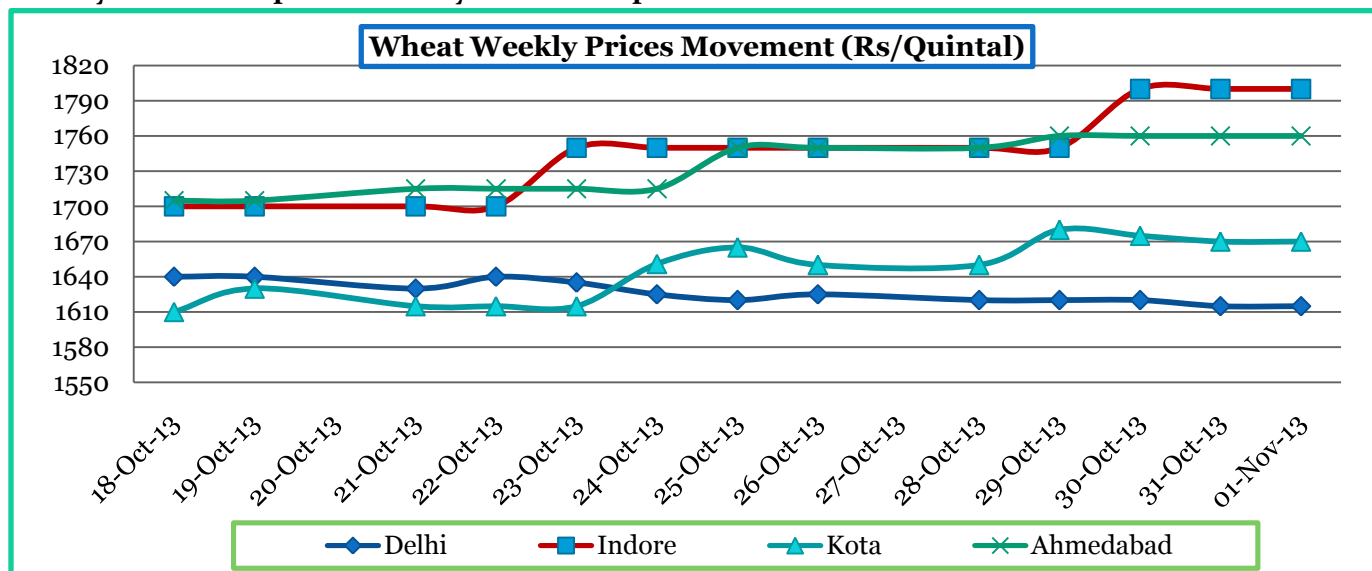
**According to the traders, in wheat tender** issued by government under OMSS scheme bid of Rs 1640/Q were received against the reserve price of Rs 1637/Q in M.P. Almost 1600 Quintal were purchased by traders against 50000 Quintals of allocated quantity.

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

**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
<b>EAST ZONE</b>	8.23	0.00	8.23
<b>NORTH EAST ZONE</b>	0.58	0.00	0.58
<b>NORTH ZONE</b>	98.94	170.54	269.48
<b>SOUTH ZONE</b>	5.55	0.00	5.55
<b>WEST ZONE</b>	21.63	51.92	73.55
<b>TOTAL</b>	138.54	222.46	361.00

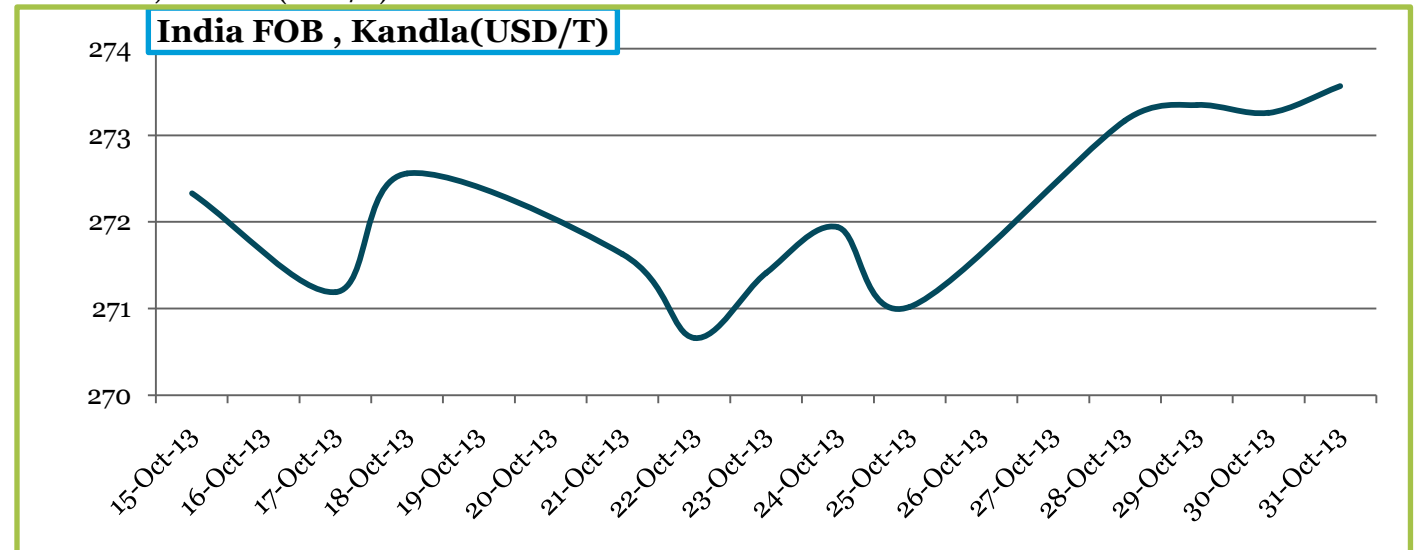
(Figures in Lakh Tonnes)

**FOB Value as on 02.11.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16100	15750	15200	17000	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)	17300	17400	17600	18950	18050	15200	19100
Indian FOB (USD/MT)	<b>279.48</b>	<b>281.10</b>	<b>284.33</b>	<b>306.14</b>	<b>291.60</b>	<b>245.56</b>	<b>308.56</b>
Insurance @ 0.1%	0.28	0.28	0.28	0.31	0.29	0.25	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	297	299	302	324	310	264	327
INR	61.9	61.9	61.9	61.9	61.9	61.9	61.9
Russian Wheat FOB (USD/MT)	<b>262.5</b>	<b>262.5</b>	<b>262.5</b>	<b>262.5</b>	<b>262.5</b>	<b>262.5</b>	<b>262.5</b>
Parity on FOB Basis (USD/MT)	<b>-17</b>	<b>-19</b>	<b>-22</b>	<b>-44</b>	<b>-29</b>	<b>17</b>	<b>-46</b>

**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 %
<b>Indore</b>	NA	1691	1592	1603	NA
<b>Bareilly</b>	1700	1650	1590	1560	<b>8.97</b>
<b>Delhi</b>	1621	1620	1600	1607	<b>0.85</b>
<b>Khanna</b>	1662	1673	1646	1607	<b>3.44</b>
<b>Kanpur</b>	1635	1605	1545	1495	<b>9.36</b>
<b>Karnal</b>	1520	1545	1600	1545	<b>-1.62</b>
<b>Rajkot</b>	NA	1670	1612	1578	NA
<b>Kota</b>	NA	1653	1619	1580	NA

**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	4.46	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>31.51</b>	<b>286.56</b>	<b>248.59</b>

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

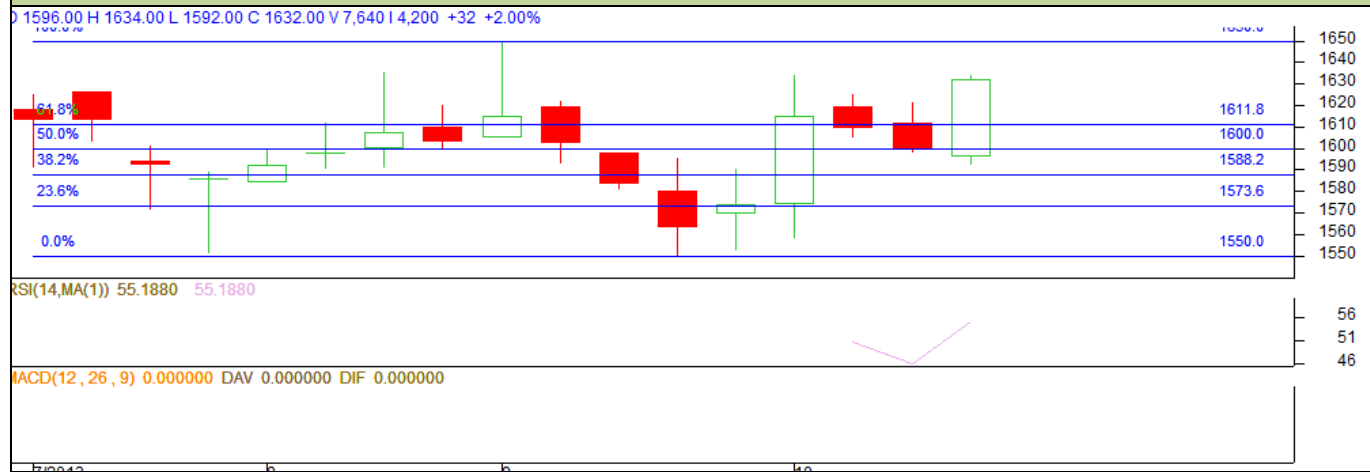
**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			02.11.2013	26.10.2013	
Delhi	Lawrence Road	Mill Quality	1615	1625	-10
	Nazafgarh	Mill Delivery Loose	1600	1600	Unch
	Narella	Mill Delivery Loose	1570	1585	-15
Gujarat	Rajkot	Mill Delivery	NA	1750	-
	Ahmadabad	Mill Delivery	NA	1750	-
M.P.	Bhopal	Mill Quality Loose	NA	1550	-
	Indore	Mill Delivery	NA	1750	-
Rajasthan	Kota	Mill Quality	NA	1565	-
U.P.	Mathura	Mill Quality Loose	1500	1475	25
Punjab	Khanna	Mill Quality Loose	1450	1425	25
Haryana	Sirsa	Mill Delivery loose	1520	1510	10

Commodity: Wheat  
Contract: November

Exchange: NCDEX  
Expiry: 20<sup>th</sup> 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: Buy on dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	November	1588	1600	1630	1635	1640
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	November	Buy	Above 1615	1625	1630	1610

\*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:

**As per IGC report global wheat production** is expected to increase to 696 million tonnes as compared to 696 million tonnes in previous forecast. Global trade and consumption has been increased to 142 and 690 million tonnes respectively. Carryover stocks are expected to increase to 182 million tonnes.

**Brazil has raised the quota to 3.3 million tonnes** by 600,000 MT for tariff free wheat import owing to crop damage.

**Lanworth has raised Australian wheat** production forecast for 2013-14 crop to 25.29 million tonnes as compared to 24.82 million tonnes due to better soil moisture in Western Australia, Southern Australia and Victoria province.

**Algeria's wheat import rose by 4.2% from 4.2 million** tonnes to 4.8 million tonnes for January to September 2013. Algerian wheat production fell to 4.91 million tonnes this year owing to drought.

**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.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12	2012-13 Est.	Projection for 2013-14	
						26.09.2013	31.10.2013
<b>Production</b>	685	679	653	695	654	693	696
<b>Trade</b>	137	128	126	145	140	141	142
<b>Consumption</b>	645	652	657	696	673	687	690
<b>Carryover stocks</b>	173	199	194	194	174	180	182
<b>Y-O-Y change</b>	41	27	-4	0	-20	5	7
<b>Major Exporters</b>	69	79	74	69	48	53	53

## Indicative FOB Quotes:

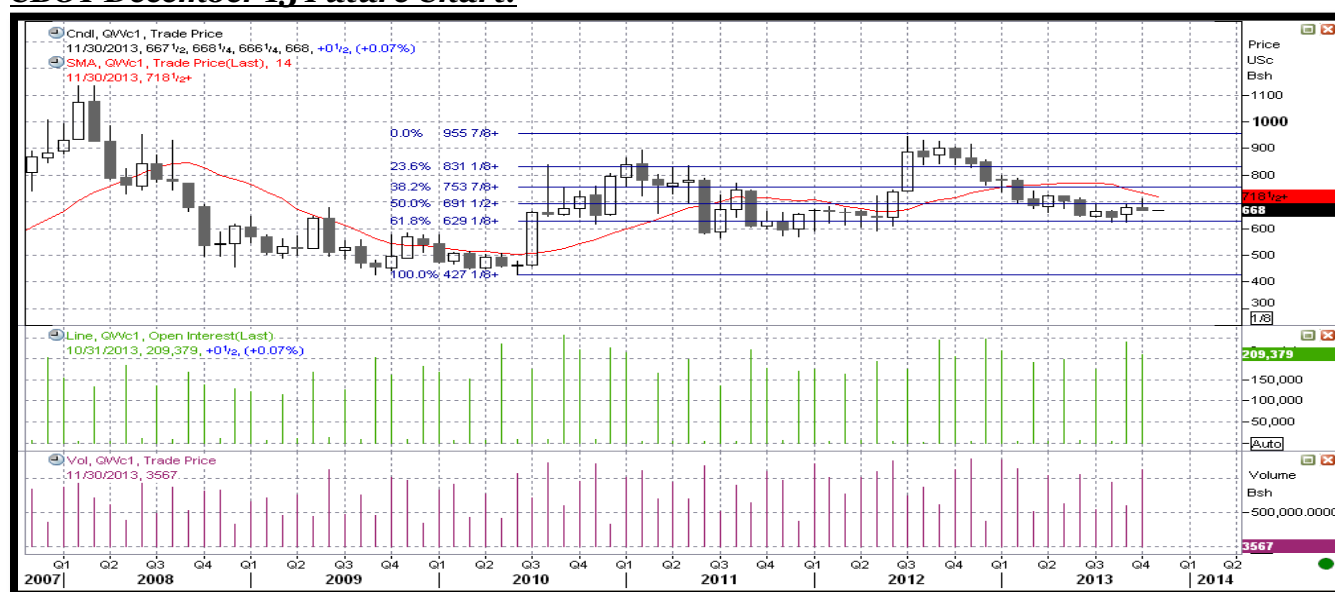
	Variety	% Change over Prev. Year	24.10.13	Week Ago 17.10.13	Month Ago (Sept)	3 Months Ago (July)	Year Ago (Oct)
USA (Gulf)	SRW 2	-14.33	292.50	294.20	277.20	265.70	341.30
France	FCW3	-	NA	NA	253.30	253.80	341.70
United Kingdom	Feed wheat	-	NA	NA	240.00	257.70	324.20
Australia	CWRS	-17.00	283.00	288.00	299.00	361.12	344.58
Russia	SRW	-23.69	262.50	262.00	247.00	244.00	344.00
Ukraine	SRW	-23.64	260.00	260.00	245.00	240.00	340.50
Argentina	SRW	-	NA	NA	295.00	273.00	340.00

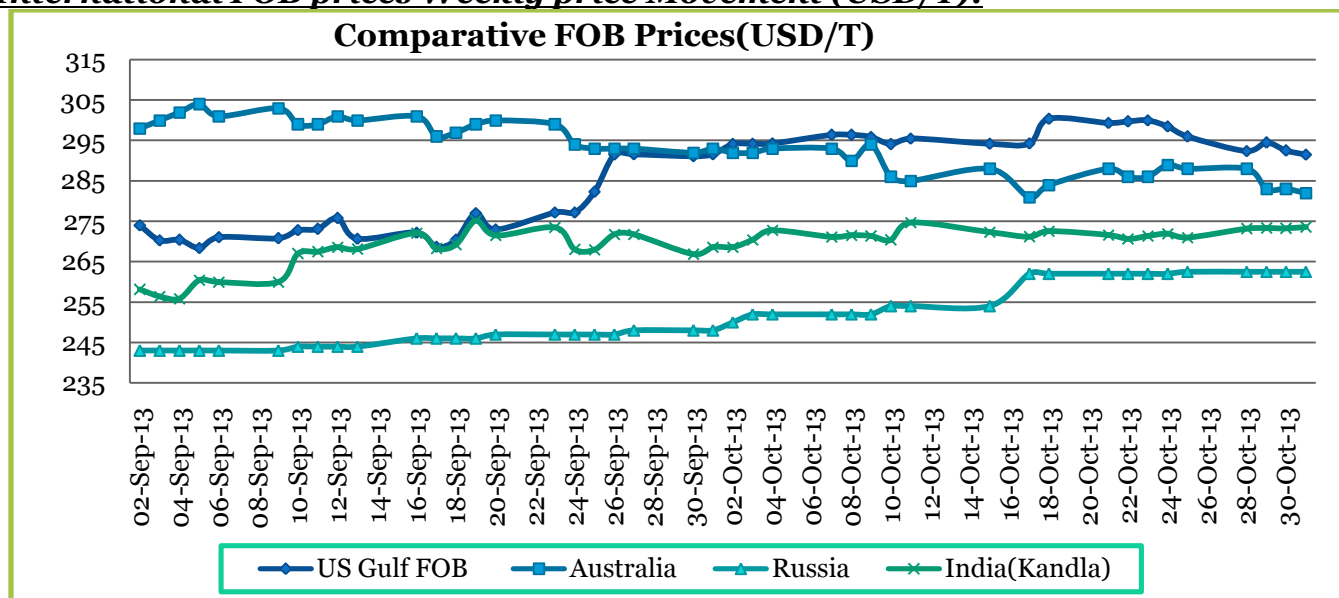
Global wheat market is expected to trade weak on higher wheat production estimate of 705.38 million tonnes as compared to previous estimate of 697.80 million tonnes as per USDA latest estimate. IGC latest estimate of 696 million tonnes may keep market under pressure in medium term.

## CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 31.10.13 (USD/T)							
CONTRACT MONTH	31 Oct 13	Week ago (24 Oct 2013)	1 Month ago(30 Sept 13)	3 Month ago(31 Jul 13)	6 Month ago(30 Apr 13)	1 Year ago(31 Oct 12)	% Change over previous year
13-Dec	245.24	255.89	249.28	248.73	276.93	326.53	-24.89
14-Mar	249.65	259.75	252.40	252.68	281.70	328.27	-23.95
14-May	251.67	261.68	253.41	254.61	282.90	318.35	-20.95
14-Jul	251.12	258.65	248.73	253.14	283.36	308.80	-18.68
14-Sep	254.24	260.67	250.38	255.43	284.37	309.44	-17.84
14-Dec	258.01	264.25	253.41	258.10	288.41	314.40	-17.94

## 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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