

**Domestic Market Updates:**

**Wheat inflation has increased to 7.88% Y-o-Y** basis in October from 5.90% in September. WPI in October has increased to 213.60 from 210.10 in September.

**Wheat markets have started firming up at consuming** centers and there is a possibility of uptrend to continue in the next week too. Prices of Lok-1 and other superior varieties have increased by Rs 40 to Rs 50/Q as supply from private trades/stockiest is depleting fast in Madhya Pradesh, Rajasthan and dependence on govt.'s stock is expected to increase in the weeks to come.

**Comparatively, prices of mill quality move** slight up on the back of seasonal factors in the range of Rs 10 to Rs 20/Q in Indore and Kota region. However, uptrend in milling grade is unlikely to continue as supply of milling grade (mostly DL and 173) through OMSS would restrict market.

**Stock (Lok-1 and Tukda) with private hands is contracting** at this point of time and release of lower quantity of higher grade (300 to 400 T) at different centers in M.P. (Vidhisha, Seohar) is unable to fulfill current market demands.

**South Indian millers/exporters** buy Lok-1 and Tukda for mixing it in mill quality to upgrade quality and continued demand for higher grade remains supportive to the premium grade market. Mill Quality Wheat traded for Chennai delivery in M.P. quoted today at Rs 1970/Q and Madurai at Rs 2005 /Q Premium grade in South India is being traded at Rs 2050 to Rs 2150 /Q.

**Bangladesh has received the lowest bid of USD 314.20/MT** CNF for its wheat import tender of 50000 MT of wheat from Indian firm Amira Foods. Other major bidders were Vitol at USD 314.47/MT, Ismail Foods at USD 321.86/MT and Daewoo International at USD 334/MT, CNF.

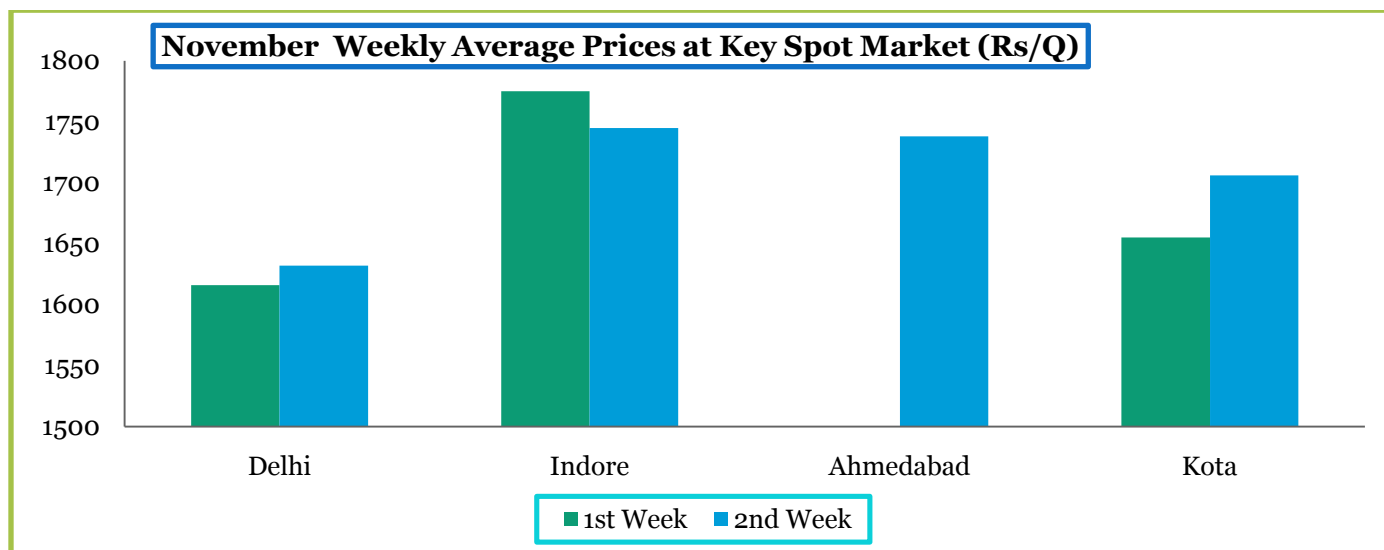
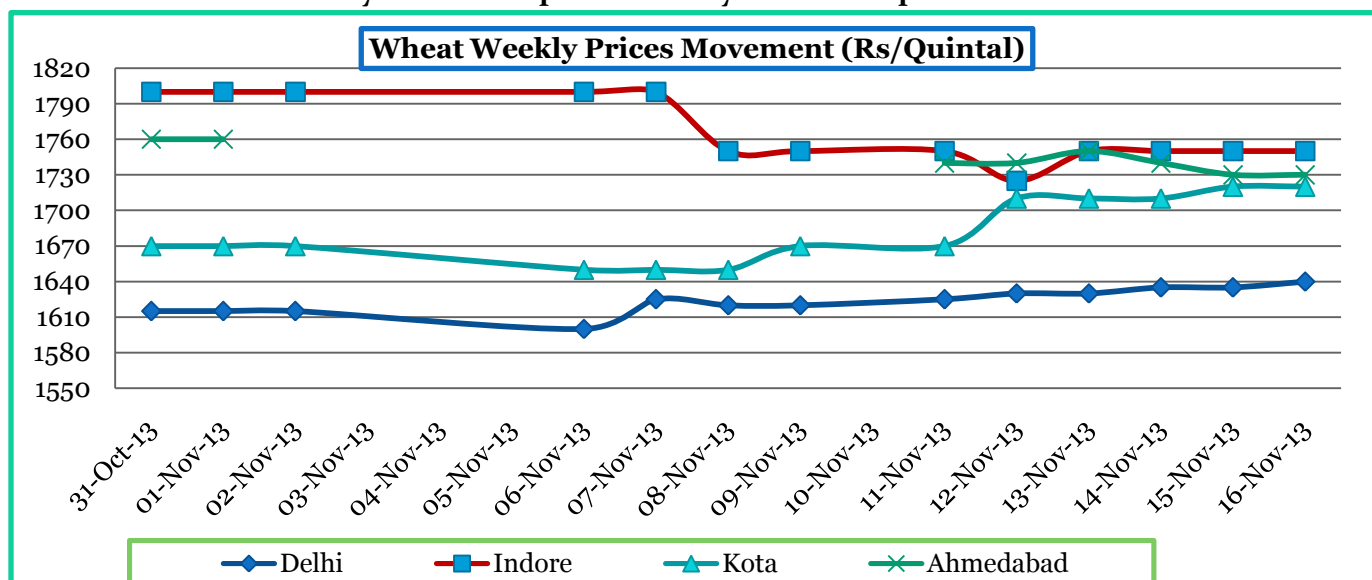
**Traders and market participants believe** that wheat production in 2013-14 may near or above of 2011-12 production level of 94.88 million tonnes owing to good soil moisture, strong retreating monsoon and good market price. However final production will depend on weather conditions in January and February.

**On 1<sup>st</sup> November, wheat stock in central pool** was 34.09 million tonnes as compared to 40.05 million tonnes on same time last year. Punjab has the highest level of stock at 12.25 million tonnes followed by Haryana at 7.89 million tonnes.

**Weather Watch: (Source-IMD)**

- Rain/thundershower would occur at few places over Andaman & Nicobar Islands and Lakshadweep.
- An easterly wave would affect south peninsular India around 20th Nov and increase rainfall activity over extreme south peninsular India.
- Another western disturbance would affect Jammu & Kashmir on 20th and 21st.
- Weather would be mainly dry over rest of the country.

## Weekly Prices Comparison of key Domestic Spot Market:



\*Ahmadabad prices are unavailable for the 1<sup>st</sup> week

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 01.11.2013:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
<b>EAST ZONE</b>	9.09	0.00	9.09
<b>NORTH EAST ZONE</b>	0.49	0.00	0.49
<b>NORTH ZONE</b>	98.02	154.77	252.79
<b>SOUTH ZONE</b>	5.21	0.00	5.21
<b>WEST ZONE</b>	20.63	48.92	69.55
<b>TOTAL</b>	<b>137.30</b>	<b>203.69</b>	<b>340.99</b>

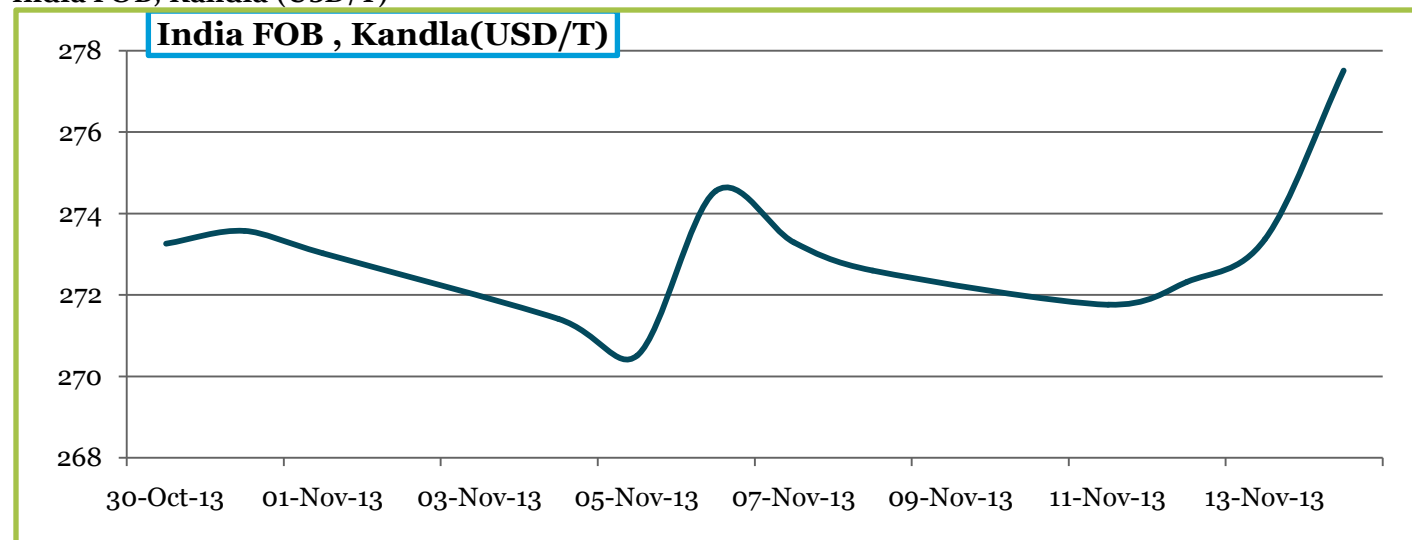
(Figures in Lakh Tonnes)

**FOB Value as on 16.11.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	16300	16400	16000	17000	16000	14000	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)	17500	18050	18400	18950	18050	15700	19100
Indian FOB (USD/MT)	<b>277.51</b>	<b>286.24</b>	<b>291.79</b>	<b>300.51</b>	<b>286.24</b>	<b>248.97</b>	<b>302.89</b>
Insurance @ 0.1%	0.28	0.29	0.29	0.30	0.29	0.25	0.30
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	296	304	310	319	304	267	321
INR	63.06	63.06	63.06	63.06	63.06	63.06	63.06
Russian Wheat FOB (USD/MT)	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>
Parity on FOB Basis (USD/MT)	<b>2</b>	<b>-6</b>	<b>-12</b>	<b>-21</b>	<b>-6</b>	<b>31</b>	<b>-23</b>

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

	16 Nov, 2013	Week ago 09 Nov 13	Month ago 17 Oct 13	Year ago 10 Nov 2012	Change over previous Year %
<b>Indore</b>	1739	1695	1650	1563	<b>11.24</b>
<b>Bareilly</b>	1695	1700	1640	1540	<b>10.06</b>
<b>Delhi</b>	1631	1624	1640	1595	<b>2.24</b>
<b>Khanna</b>	1701	1701	1668	1604	<b>6.05</b>
<b>Kanpur</b>	1665	1640	1600	1500	<b>11.00</b>
<b>Karnal</b>	1600	1560	1545	1500	<b>6.67</b>
<b>Rajkot</b>	1705	1684	1655	1520	<b>12.17</b>
<b>Kota</b>	1700	1701	1625	1538	<b>10.55</b>

**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
Oct-13*	0.57	271.70	253.25
<b>Total 13-14</b>	<b>32.08</b>	<b>286.44</b>	<b>249.25</b>

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

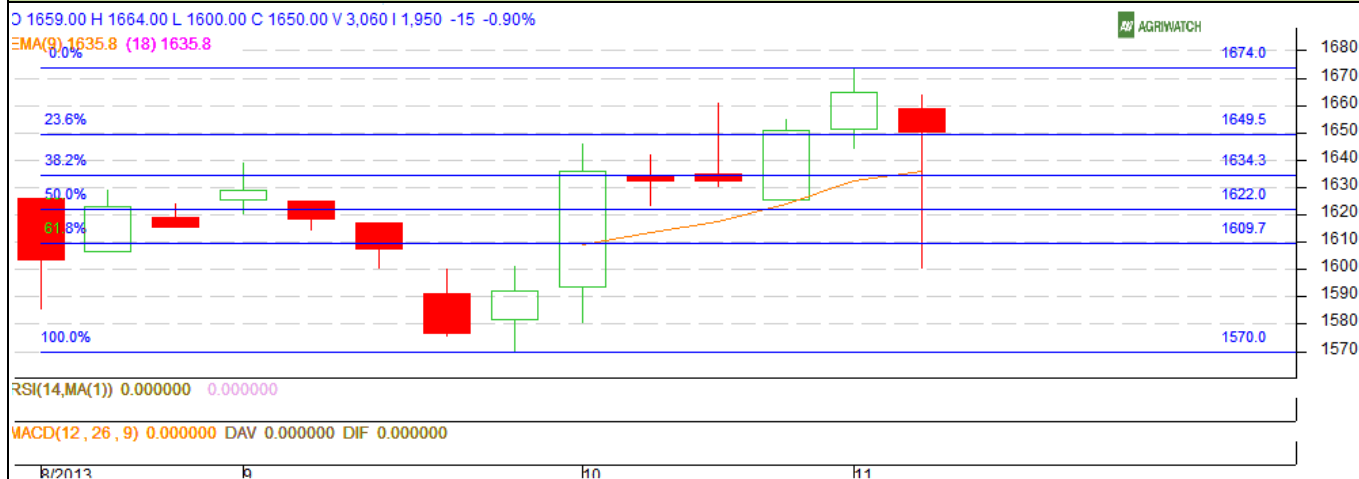
**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			<b>16.11.2013</b>	<b>09.11.2013</b>	
	Lawrence Road	Mill Quality	1640	1620	<b>20</b>
	Nazafgarh	Mill Delivery Loose	1600	1600	<b>Unch</b>
	Narella	Mill Delivery Loose	1650	1570	<b>80</b>
Gujarat	Rajkot	Mill Delivery	1730	NA	-
	Ahmadabad	Mill Delivery	1780	NA	-
M.P.	Bhopal	Mill Quality Loose	NA	1650	-
	Indore	Mill Delivery	1750	1750	<b>Unch</b>
Rajasthan	Kota	Mill Quality	1640	1585	<b>55</b>
U.P.	Mathura	Mill Quality Loose	1550	1510	<b>40</b>
Punjab	Khanna	Mill Quality Loose	1490	1490	<b>Unch</b>
Haryana	Sirsa	Mill Delivery loose	1510	1510	<b>Unch</b>

Commodity: Wheat  
Contract: December

Exchange: NCDEX  
Expiry: 20<sup>th</sup> December, 2013

### Wheat (Weekly Chart)



### Technical Commentary:

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

### Strategy: Buy on dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	December	1630	1634	1650	1674	1680
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	December	Buy	Above 1640	1660	1670	1645

\*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 fresh demand from millers.

### International Market Updates:

**GASC has purchased 2.4 lakh tonnes** of Romanian and French wheat to be delivered by 1-15 December. 60,000 tonnes of Romanian wheat from Bunge at USD 299.74/MT CNF, 60,000 tonnes of French wheat from Soufflet at USD 303.82/MT, 60,000 tonnes of French wheat from Cargill at USD 305.61/MT, 60,000 tonnes of French wheat from Invivo at USD 305.61/MT.

**Egypt is expected to import 5-5.5 million tonnes** of wheat in current year ending June 30, 2014. Since the start of the 2013-2014 fiscal year on July 1, GASC has bought 2.50 million tonnes of wheat from Romania, Ukraine, Russia and France.

**China National Grain and Oils Information Center** has revised wheat import target for 2013-14 at 7.5 million tonnes due to damage caused to domestic crop by adverse weather condition where as USDA forecast is 8.5 million tonnes of wheat import for 2013-14.

**Pakistan's Federal committee has set** wheat production target of 25 million tonnes from 8.89 million hectares in 2013-14. Pakistan produced 24.2 million tonnes of wheat in 2012-13 against the target of 25.5 million tonnes.

**As per USDA report global wheat production is** expected to fall in 2013-14 to 706.38 million tonnes from 708.89 million tonnes, in previous forecast. Although ending stocks are expected to rise to 178.42 million tonnes from 176.28 million tonnes due to lower consumption of wheat in animal feed.

**Saudi Arabia has bought 720,000 MT of Hard Wheat** (12.5% Protein Minimum) in 12 cargoes to be delivered between January and March 2014. 360,000 MT of wheat will be received at Jeddah port at USD 317.72-321.93/MT and 360,000 MT CNF to be received at Dammam port at USD 329.72-331.92/MT, CNF.

**Tunisia has bought 92000 MT of** soft wheat 50000 MT from Vitol at USD 302.86/MT CNF, 25000 MT from Louis Dreyfus at USD 303.74/MT CNF, 17000 MT from Granit at USD 306.40/MT CNF.

**Russia has completed 87% of winter** grain sowing, helped by recent dry weather condition. So far winter grains sowing have been completed in 14.2 million hectares as compared to 15.6 million hectares last year at the same time.

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	14.11.13	Week Ago 07.11.13	Month Ago (Oct)	3 Months Ago (Aug)	Year Ago (Nov)
USA (Gulf)	SRW 2	<b>-18.74</b>	279.30	281.80	294.20	265.80	343.70
France	FCW3	-	NA	NA	NA	240.70	346.50
United Kingdom	Feed wheat	-	NA	NA	NA	248.90	324.20
Australia	CWRS	<b>-18.68</b>	275.00	272.00	288.00	305.00	338.17
Russia	SRW	<b>-12.63</b>	280.00	272.00	255.00	242.50	319.00
Ukraine	SRW	<b>-12.62</b>	277.00	270.00	252.00	240.00	317.00
Argentina	SRW	-	NA	NA	NA	273.00	340.00

Global wheat market is expected to trade weak on higher wheat production estimate of 706.38 million tonnes and IGC latest estimate of 696 million tonnes may keep market under pressure in medium term.

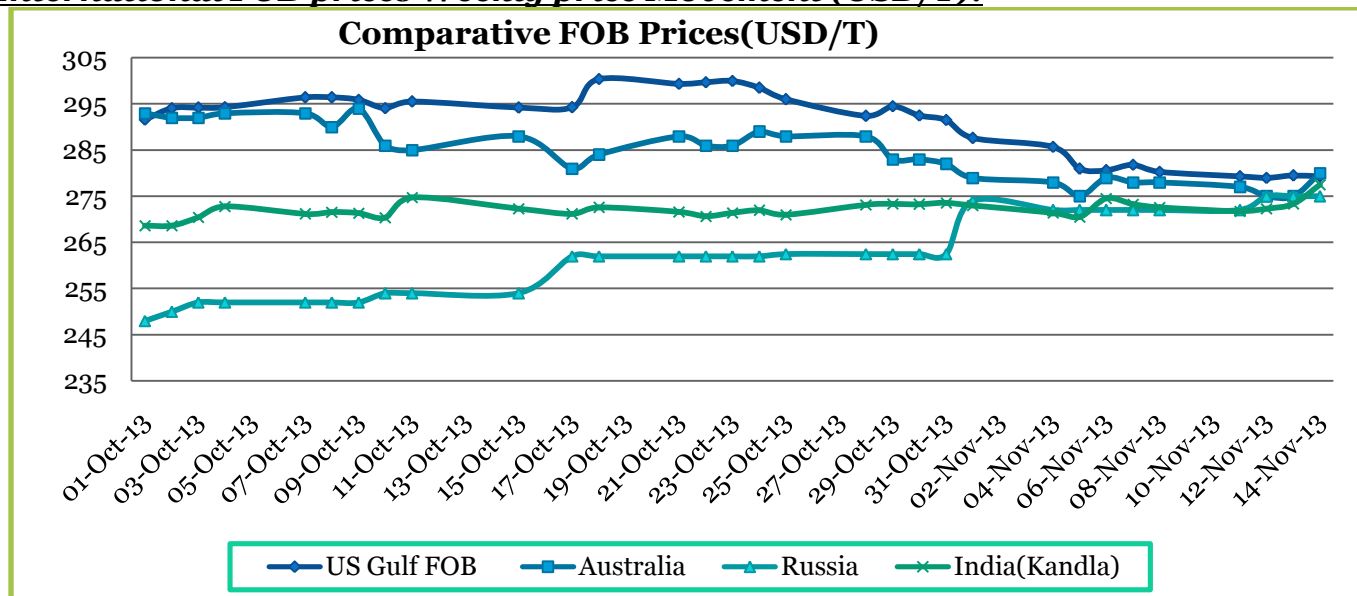
## CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 15.11.13 (USD/T)							
CONTRACT MONTH	15 Nov 13	Week ago (8 Nov 2013)	1 Month ago (15 Oct 13)	3 Month ago (15 Aug 13)	6 Month ago (15 May 13)	1 Year ago (15 Nov 12)	% Change over previous year
13-Dec	236.79	238.72	251.94	238.63	263.98	318.90	<b>-25.75</b>
14-Mar	240.46	243.04	255.53	243.13	270.13	320.28	<b>-24.92</b>
14-May	241.93	245.42	257.00	245.88	272.15	317.25	<b>-23.74</b>
14-Jul	240.92	245.61	253.05	245.15	273.16	303.11	<b>-20.52</b>
14-Sep	243.95	245.24	255.16	247.90	274.72	303.75	<b>-19.69</b>
14-Dec	248.18	253.51	259.02	252.04	278.03	306.32	<b>-18.98</b>

## CBOT December 13 Future Chart:



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



### **International Weather update: (Source-USDA)**

**Australia-** In western and southeastern Australia, very warm, mostly dry weather favored wheat crop maturation. In Northern New South Wales and extreme southern Queensland, mostly dry, seasonably warm weather favored rapid winter wheat harvesting.

**Argentina-** Temperatures averaged near to slightly above normal (daytime highs from the middle 20s to lower 30s degrees C) in central Argentina and more than 3°C above normal (daytime highs exceeding 40°C) in the northwest from Santiago del Estero to Jujuy, spurring development of winter wheat.

**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.

**Russia and Ukraine** – Rain (10-20 mm) was confined to northern growing areas, while mostly sunny skies favored seasonal fieldwork in Ukraine and Russia's Southern District.

### **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.*

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2013 Indian Agribusiness Systems Pvt Ltd.