

### Domestic Market Updates:

**Wheat has been sown in 179.44 lakh hectares** so far in 2013-14 as compared to 158.46 lakh hectares in 2012-13. The sowing pace is more than last year due to good soil moisture and conducive weather for plantation.

**Sowing in major wheat growing states have crossed** halfway mark and area in Gujarat is likely increase by 20 to 30 percent this year as farmers are using cotton and peanuts area for wheat sowing. Prices are ruling higher in Gujarat and it has encouraged farmers to cover more area under wheat this year. However, late harvesting of Sugarcane may reduce the yield and area of wheat in Uttar Pradesh. Wheat is sown in 9.6 million hectares in Uttar Pradesh. Weather remains conducive in major wheat growing states.

**Stock in private hands is drying fast and bulk** users have started sourcing wheat from central pool stock. We expect offtake to increase from central pool stock in the weeks ahead. Private exporters too are active in port based states and analyzing possibility of sourcing wheat from M.P. and Rajasthan.

**Millers in Andhra Pradesh have started looking** for govt.'s stock. However, they still have some edge over govt.'s stock when wheat is sourced from private traders. Wheat prices (FAQ) in Hyderabad is ruling around Rs 1990/Q. They get 4 percent cash discount. This brings prices down by Rs 80/Q, delivered at destination. They get credit for five days to one week. If assured quality is not delivered they have option to deduct price from actual trade.

**When Traders/Stockiest source wheat from FCI** they have to pay Rs 1732/Q. Plus 5 percent VAT and Rs 40/Q for bag and transport. This brings total costing to around Rs 1860/Q. Besides, they have to deposit draft in advance. With this background they prefer to source wheat from private trade, as told by traders.

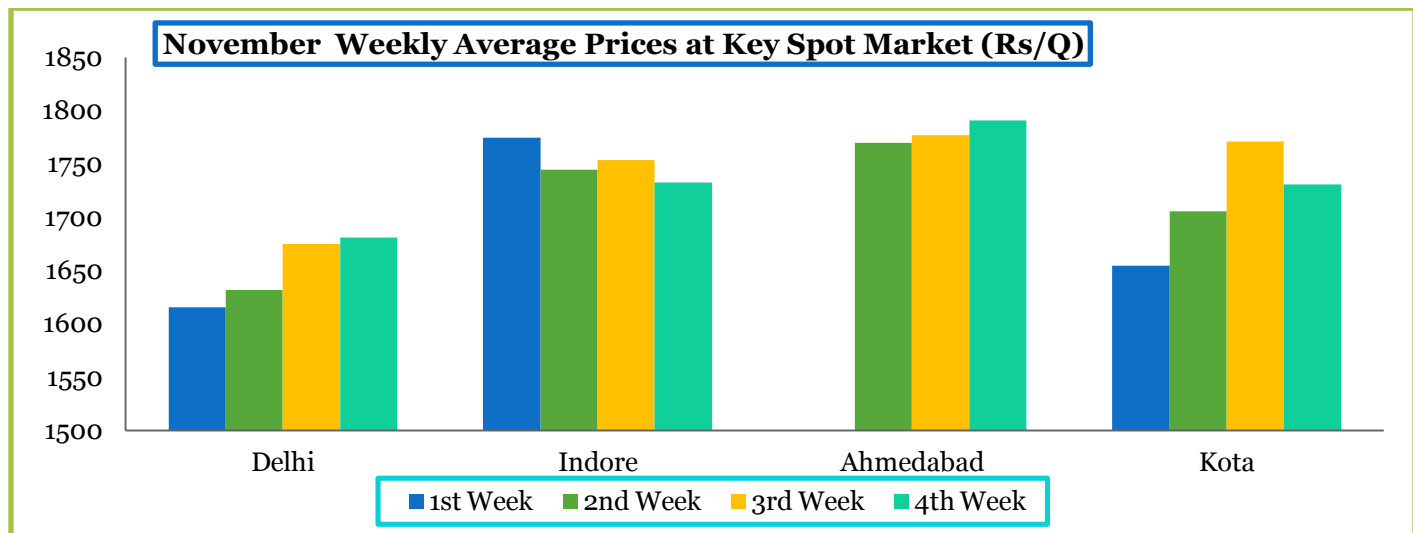
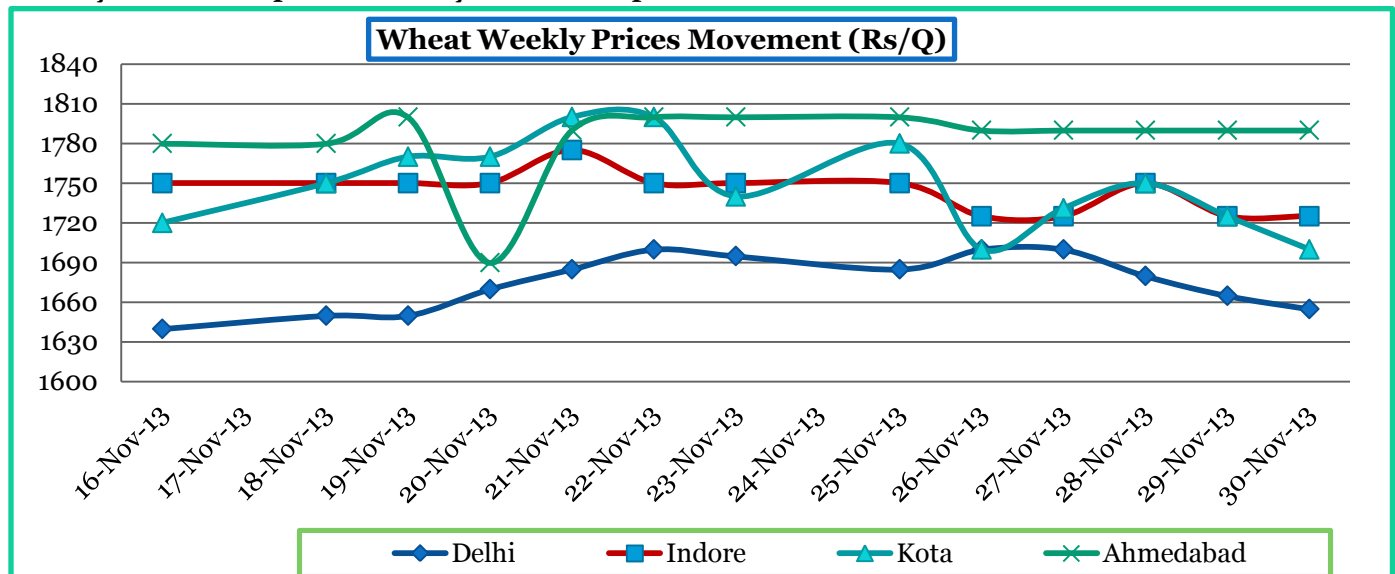
**Late harvesting of Sugarcane may reduce the** yield and area of wheat in Uttar Pradesh. Wheat is sown in 9.6 million hectares in Uttar Pradesh. Weather remains conducive in major wheat growing states.

**PEC received the highest bid of \$289.90** for Krishnapatnam, for Kandla it \$284.70 per tonne. For Kakinada it is \$285.75 per T.Quotes received are on the expectation of the trade. It simply signifies that export from India would continue with good pace in the months ahead.

### Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at a few places over Andaman & Nicobar Islands.
- Rain/thundershowers would occur at many places over south Odisha and Andhra Pradesh, coastal & south interior Karnataka.
- Rain/thundershowers would occur at a few places over rest peninsular India.
- 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 moderately firm owing to increased OMSS price by government and increased demand from millers and traders.

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>

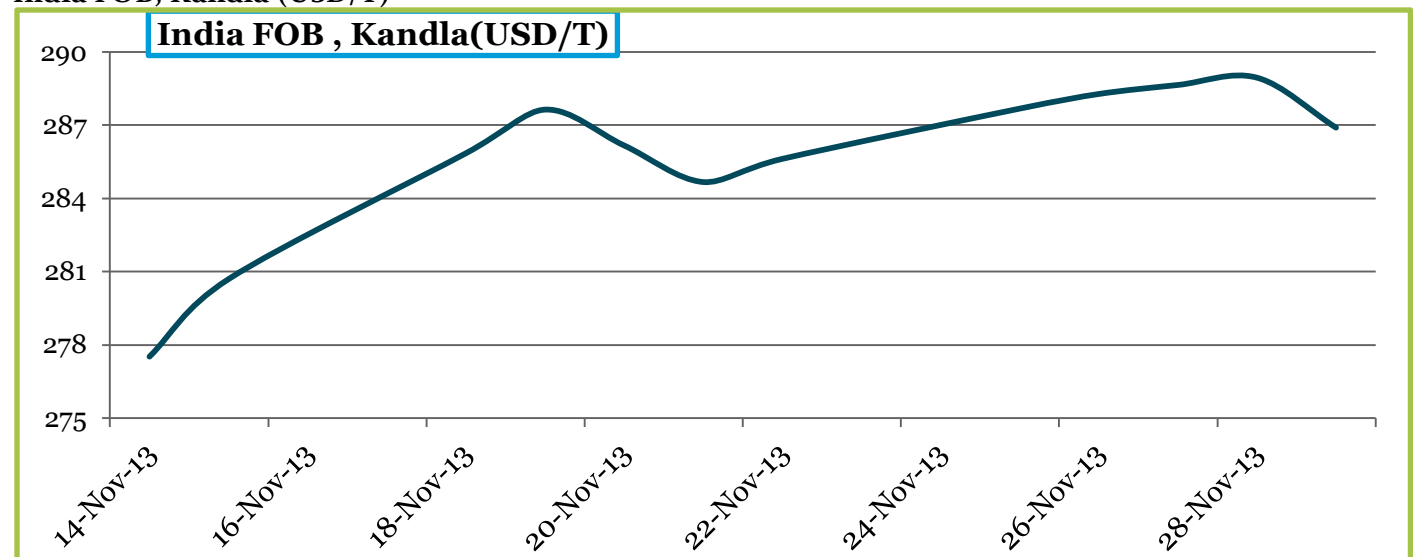
(Figures in Lakh Tonnes)

**FOB Value as on 30.11.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	Eco.Cost
Basic cost of wheat (Rs/ton)	16250	16100	16000	16750	16200	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)	17450	17750	18400	18700	18250	15700	19100
Indian FOB (USD/MT)	<b>279.69</b>	<b>284.50</b>	<b>294.92</b>	<b>299.73</b>	<b>292.51</b>	<b>251.64</b>	<b>306.14</b>
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)	298	303	313	318	311	270	324
INR	62.39	62.39	62.39	62.39	62.39	62.39	62.39
Russian Wheat FOB (USD/MT)	<b>283</b>	<b>283</b>	<b>283</b>	<b>283</b>	<b>283</b>	<b>283</b>	<b>283</b>
Parity on FOB Basis (USD/MT)	<b>3</b>	<b>-2</b>	<b>-12</b>	<b>-17</b>	<b>-10</b>	<b>31</b>	<b>-23</b>

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

	30 Nov, 2013	Week ago 23 Nov 13	Month ago 30 Oct 13	Year ago 30 Nov 2012	Change over previous Year %
<b>Indore</b>	1696	1675	1700	1575	<b>7.68</b>
<b>Bareilly</b>	1728	1720	1700	1588	<b>8.82</b>
<b>Delhi</b>	1658	1683	1624	1578	<b>5.07</b>
<b>Khanna</b>	1756	1745	1673	1660	<b>5.78</b>
<b>Kanpur</b>	1675	1673	1610	1510	<b>10.93</b>
<b>Karnal</b>	1585	1600	1543	1575	<b>0.63</b>
<b>Rajkot</b>	1718	1706	1689	1650	<b>4.12</b>
<b>Kota</b>	1700	1775	1658	1650	<b>3.03</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)

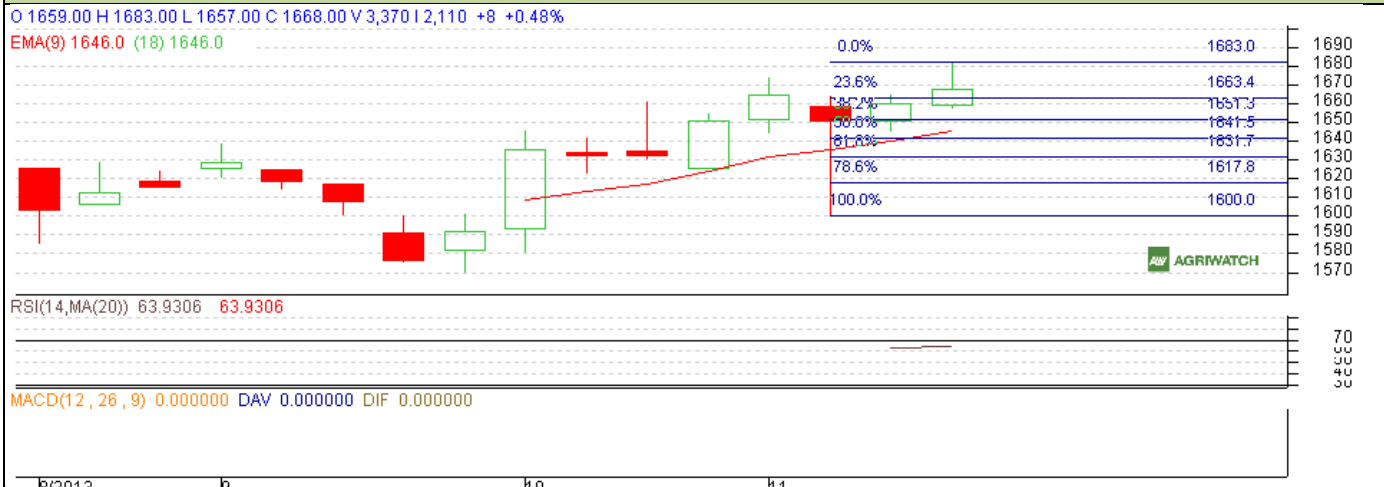
**Domestic Key Spot Market Price Comparison:**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			<b>30.11.2013</b>	<b>23.11.2013</b>	
	Lawrence Road	Mill Quality	1655	1695	<b>-40</b>
	Nazafgarh	Mill Delivery Loose	1650	1650	<b>Unch</b>
	Narella	Mill Delivery Loose	1635	1660	<b>-25</b>
Gujarat	Rajkot	Mill Delivery	1740	1740	<b>Unch</b>
	Ahmadabad	Mill Delivery	1790	1800	<b>-10</b>
M.P.	Bhopal	Mill Quality Loose	1650	NA	<b>-</b>
	Indore	Mill Delivery	1725	1750	<b>-25</b>
Rajasthan	Kota	Mill Quality	1610	1625	<b>-15</b>
U.P.	Mathura	Mill Quality Loose	1610	1610	<b>Unch</b>
Punjab	Khanna	Mill Quality Loose	1570	1500	<b>70</b>
Haryana	Sirsa	Mill Delivery loose	1550	1550	<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.
- 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	December	1632	1640	1668	1685	1692
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	December	Buy	Above 1662	1672	1677	1660

\*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 and exporters.

### International Market Updates:

**According to IGC report Global wheat production** is forecast has been increased by 2 million tonnes to 698 million tonnes owing to better crop prospects in US and China. Global consumption too is expected to increase from 690 million tonnes to 692 million tonnes.

**Global wheat trade is forecasted to remain** unchanged at 142 million tonnes in 2013-14 and global carryover stocks are expected to fall to 181 million tonnes from 182 million tonnes, as per IGC reports.

**South Korean Feed mill group has bought 55,000MT** of Feed wheat from Glencore at USD 297.50/MT CNF of optional origin. Wheat delivery has to be made by 28th February 2014.

**Lanworth has reduced the global wheat production** estimate by 1 million tonne to 706 million tonnes in 2013-14 owing to lower than expected production in Australia and Argentina.

**Egypt GASC has bought 60,000 MT** of French wheat at USD 291.84/MT, FOB with freight charge of USD 20.98/MT from Louis Dreyfus commodities to be delivered by 31 December 2013.

**Algeria's wheat production is expected to fall** to 4.9 million this year from 5.1 million tonnes last year due to drought in Eastern Province.

**Taiwan flour mills have bought 39,600MT of US** wheat from United Grains. The purchase comprised 19,250 tonnes of dark northern spring wheat of 14.5% protein bought at USD 349.35/MT FOB, 9,500 tonnes of hard red winter wheat of 12.5% protein bought at USD 309.61/MT FOB and 10,850 tonnes of western white of 10.5% protein bought at USD 296.33/FOB.

**Russia's grain growing regions are carrying on this** year's harvest with yields higher due to better weather, and the harvest now is more than 94 million metric tons, wheat harvest is near 54 million tonnes as per the agriculture ministry. Russia's grain exports are up 15% according to the federal statistics service.

**Bangladesh state grain buying has received** the lowest bid of USD 313.92/MT CIF Liner out, from Singapore based Vitol Asia in its latest wheat tender for 50,000 MT of wheat export.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12	2012-13 Est.	Projection for 2013-14	
						31.10.2013	29.11.2013
<b>Production</b>	685	679	653	695	655	696	698
<b>Trade</b>	137	128	126	145	141	142	142
<b>Consumption</b>	645	652	657	696	673	690	692
<b>Carryover stocks</b>	173	199	194	193	175	182	181
<b>Y-O-Y change</b>	41	27	-4	-1	-18	7	6
<b>Major Exporters</b>	69	79	73	69	48	53	51

## Indicative FOB Quotes:

	Variety	% Change over Prev. Year	27.11.13	Week Ago 20.11.13	Month Ago (Oct)	3 Months Ago (Aug)	Year Ago (Nov)
USA (Gulf)	SRW 2	<b>-17.35</b>	283.00	281.00	292.40	268.10	342.40
France	FCW3	-	NA	NA	NA	247.40	346.70
United Kingdom	Feed wheat	-	NA	NA	NA	248.90	324.20
Australia	CWRS	<b>-16.77</b>	278.00	279.00	288.00	293.00	334.01
Russia	SRW	<b>-12.38</b>	283.00	275.00	262.00	244.00	323.00
Ukraine	SRW	<b>-12.50</b>	280.00	272.00	260.00	241.00	320.00
Argentina	SRW	<b>-3.25</b>	335.00	355.00	NA	285.00	346.25

Global wheat market is expected to trade weak on higher wheat production estimate of 706.38 million tonnes and IGC latest estimate of 698 million tonnes may keep market under pressure in medium term.

## CBOT FUTURES CONTRACT:

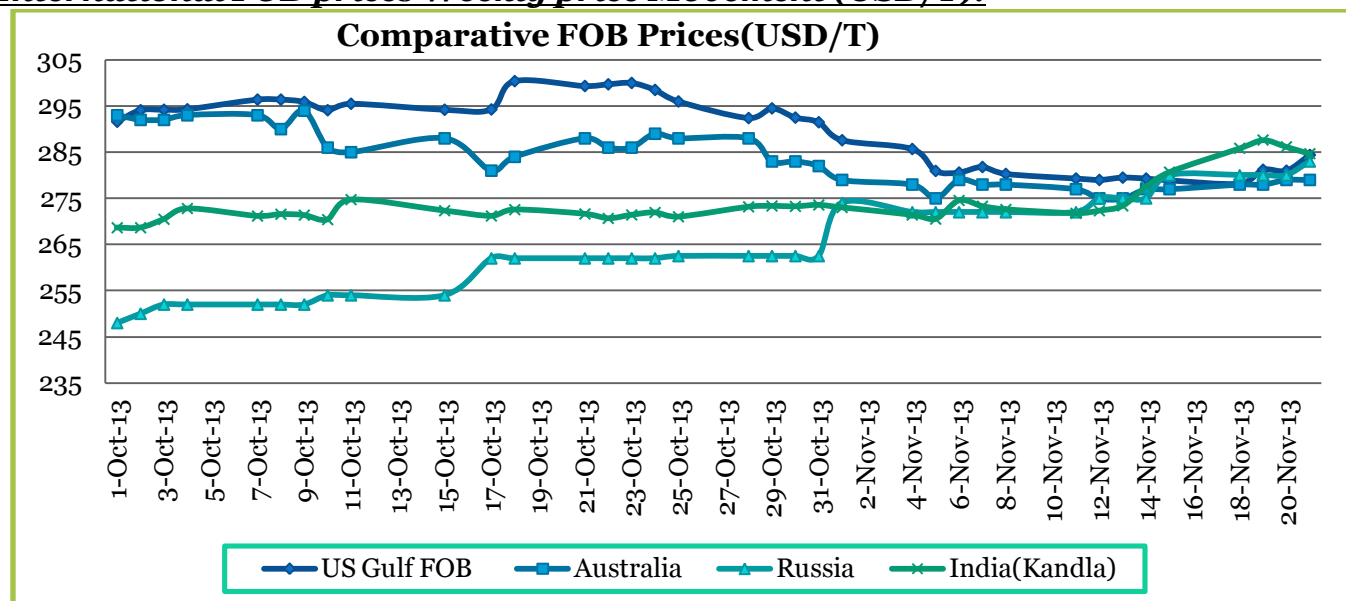
CBOT Futures Prices: Date: 29.11.13 (USD/T)							
CONTRACT MONTH	29 Nov 13	Week ago (22 Nov 2013)	1 Month ago(29 Oct 13)	3 Month ago(29 Aug 13)	6 Month ago(29 May 13)	1 Year ago(29 Nov 12)	% Change over previous year
13-Dec	240.65	238.63	250.29	240.37	267.19	330.38	<b>-27.16</b>
14-Mar	245.70	241.38	254.42	244.60	272.79	331.85	<b>-25.96</b>
14-May	247.54	242.94	256.08	247.26	276.19	326.80	<b>-24.26</b>
14-Jul	246.43	242.12	253.32	244.78	277.75	312.29	<b>-21.09</b>
14-Sep	249.28	244.96	256.08	247.90	279.41	312.47	<b>-20.22</b>
14-Dec	245.61	249.01	259.94	252.50	282.07	314.86	<b>-22.00</b>

## CBOT March 14 Future Charts:





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



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

**Australia**-In western and southeastern Australia, rain (5-25 mm) in extreme southern portions of the wheat belt slowed winter crop dry down and reportedly increased local concerns about crop quality. Most of the wheat belt remained dry, however, favoring wheat, barley, and canola maturation and harvesting.

**Argentina**- Warm, mostly dry weather dominated much of central Argentina, promoting summer grain and oilseed planting following last week's rainfall. Little to no rain fell in the main agricultural areas of La Pampa, Buenos Aires, and neighboring locations in Cordoba, Santa Fe, and Entre Rios.

**Russia and Ukraine** – Daytime highs exceeded 10°C in southern Belarus, western and southern Ukraine, and the southern half of the Southern District in western Russia. Precipitation was confined to western-most crop regions, with 10 to 20 mm of rain falling from Moldova northward through western Ukraine into southern Belarus.

**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.

### **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.