

**Domestic Market Updates:**

**Wheat has been sown in 214.07 lakh hectares** so far as compared to 183.42 lakh hectares on the same time last year. Sowing pace has been fast this year due to favorable weather conditions and good water availability.

**Cash wheat market is likely to trade under** pressure due to augmented supply from central food stock. However, premium wheat grades like lokvan, sharbati, Tukdi are expected to rule higher due to paucity of supply and due to export of premium wheat through PSU's. Supply from central stock for milling grade will not allow FAQ variety to get firmer due to divergence in open market from PDS. Wheat buyers are turning to India due to parity to MENA, South East Asia region and drying wheat supply from black sea region.

**As per Agriculture department wheat sowing data**, wheat has been sown in 6.38 million hectares so far which is 17% more than last year at the same time. UP has targeted 9.4 million hectares of wheat area this year and sowing has been completed in 68% of area. As per current sowing pace wheat may be sown in 9.73 million hectares.

**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.

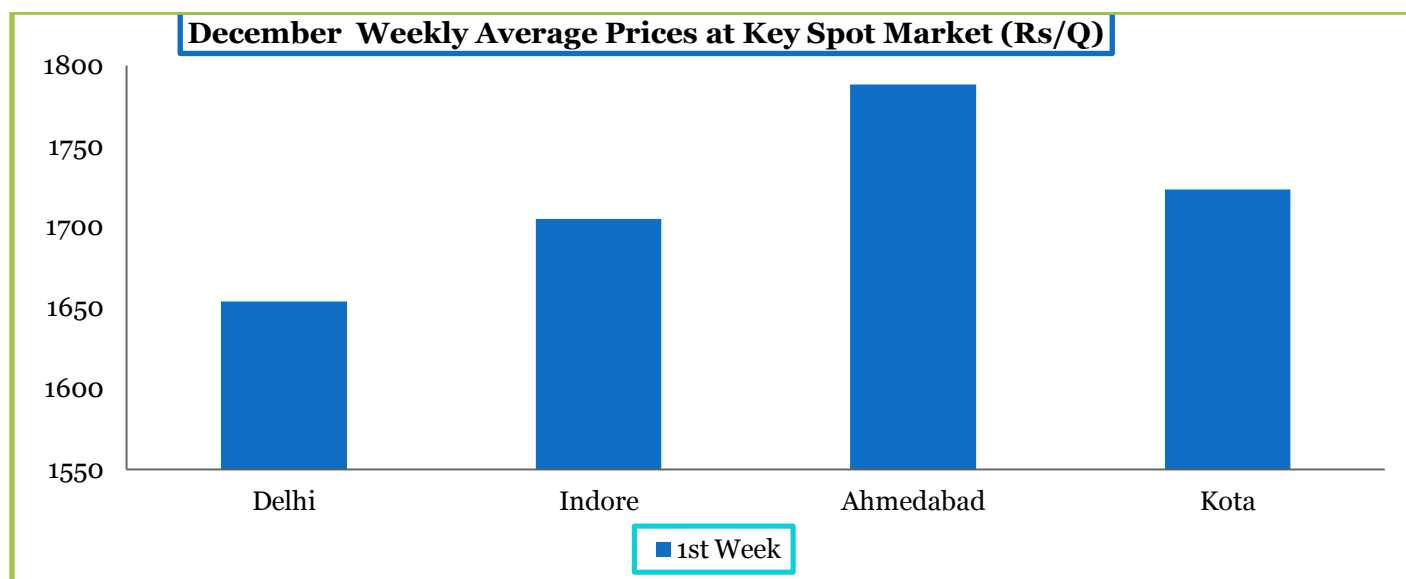
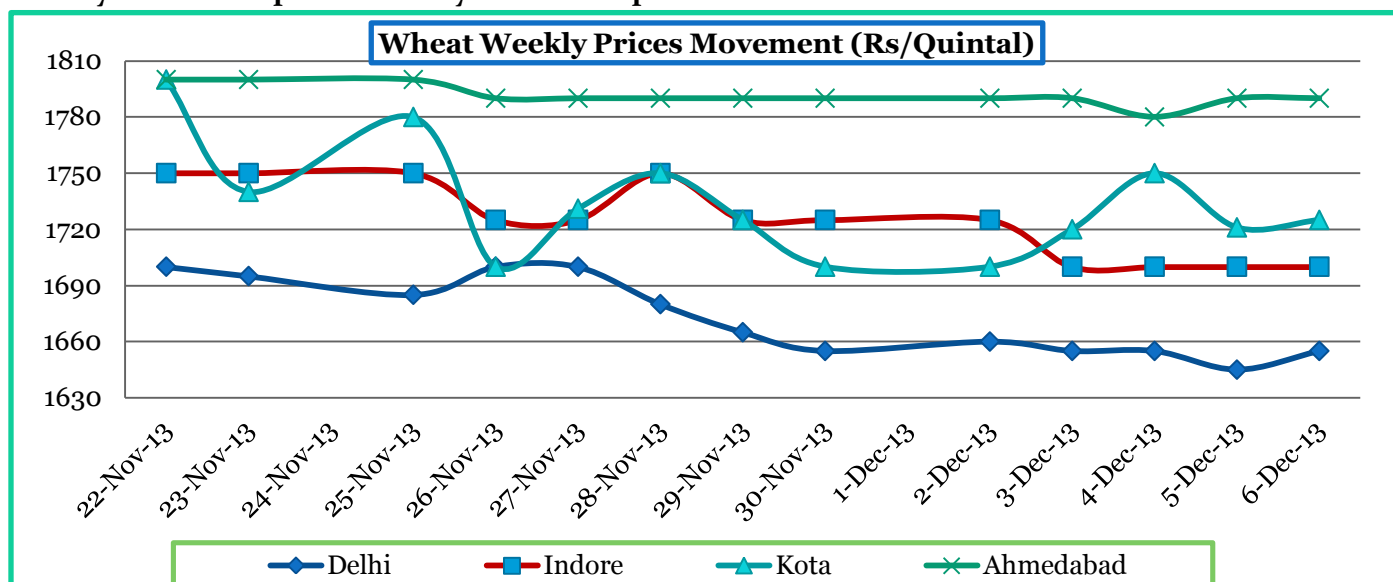
**Stock in private hands is drying fast and bulk** users have started sourcing wheat from central pool stock. We expect offtake to increase from central pool stock in the weeks ahead. Private exporters too are active in port based states and analyzing possibility of sourcing wheat from M.P. and Rajasthan.

**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.

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

- Rain/thundershowers would occur at many places over Andaman & Nicobar Islands.
- Rain/thundershowers would occur at isolated places over south peninsular India.
- Light rain/snow would occur at isolated places over Jammu & Kashmir.
- Weather would be mainly dry/dry over rest of the country

## Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat mill delivery prices traded steady to moderately weak owing to increased OMSS release.

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>

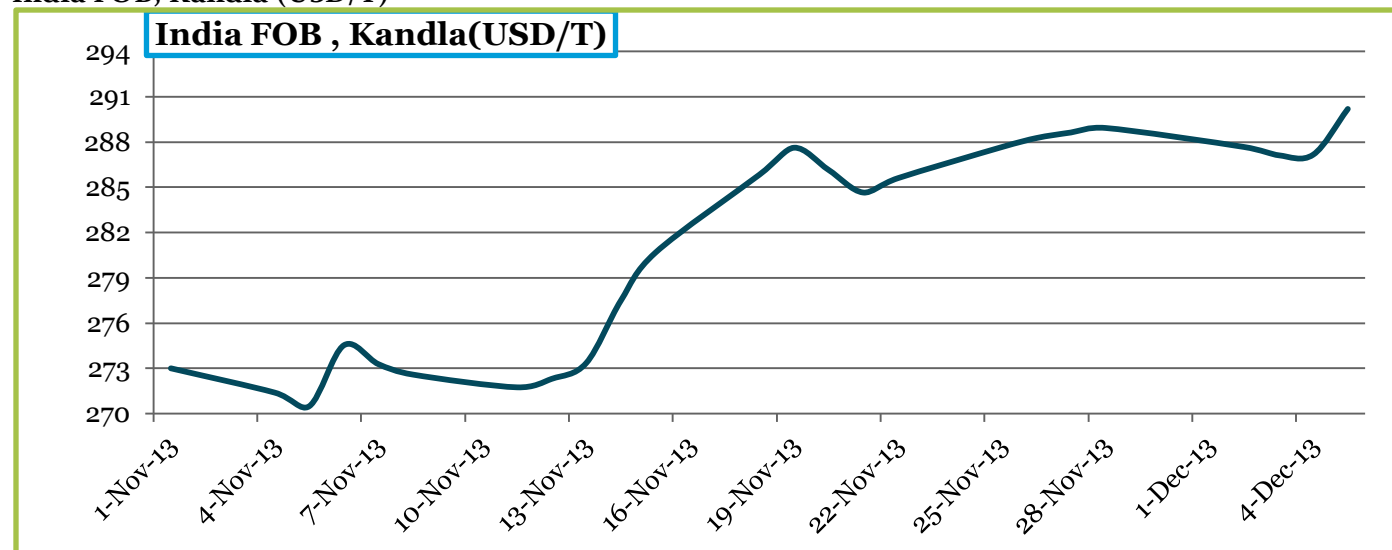
(Figures in Lakh Tonnes)

**FOB Value as on 06.12.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	Eco.Cost
Basic cost of wheat (Rs/ton)	16150	16000	15800	16500	16100	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)	17350	17650	18200	18450	18150	15700	19100
Indian FOB (USD/MT)	<b>281.38</b>	<b>286.25</b>	<b>295.17</b>	<b>299.22</b>	<b>294.36</b>	<b>254.62</b>	<b>309.76</b>
Insurance @ 0.1%	0.28	0.29	0.30	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)	299	304	313	317	312	273	328
INR	61.66	61.66	61.66	61.66	61.66	61.66	61.66
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>2</b>	<b>-3</b>	<b>-12</b>	<b>-16</b>	<b>-11</b>	<b>28</b>	<b>-27</b>

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

	06 Dec, 2013	Week ago 30 Nov 13	Month ago 07 Nov 13	Year ago 06 Dec 2012	Change over previous Year %
<b>Indore</b>	1688	1696	1723	1558	<b>8.33</b>
<b>Bareilly</b>	1740	1728	1700	1550	<b>12.26</b>
<b>Delhi</b>	1650	1658	1624	1578	<b>4.56</b>
<b>Khanna</b>	1778	1756	1701	1657	<b>7.32</b>
<b>Kanpur</b>	1650	1675	1650	1510	<b>9.27</b>
<b>Karnal</b>	1580	1585	1550	1600	<b>-1.25</b>
<b>Rajkot</b>	1702	1718	NA	1668	<b>2.02</b>
<b>Kota</b>	1734	1700	1675	1600	<b>8.36</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>07.12.2013</b>	<b>30.11.2013</b>	
	Lawrence Road	Mill Quality	1655	1655	Unch
	Nazafgarh	Mill Delivery Loose	1600	1650	-50
	Narella	Mill Delivery Loose	1625	1635	-10
Gujarat	Rajkot	Mill Delivery	1710	1740	-30
	Ahmadabad	Mill Delivery	1790	1790	Unch
M.P.	Bhopal	Mill Quality Loose	1600	1650	-50
	Indore	Mill Delivery	1700	1725	-25
Rajasthan	Kota	Mill Quality	1600	1610	-10
U.P.	Mathura	Mill Quality Loose	1550	1610	-60
Punjab	Khanna	Mill Quality Loose	1575	1570	5
Haryana	Sirsa	Mill Delivery loose	1550	1550	Unch

Commodity: Wheat  
Contract: January

Exchange: NCDEX  
Expiry: 20<sup>th</sup> January, 2014

### 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	January	1632	1640	1647	1685	1692
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	January	<b>Sell</b>	Below 1656	1640	1635	1660

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

**Domestic Weekly Outlook:** Market is likely to trade steady to weak owing to increase in OMSS release.

### International Market Updates:

**The Taiwan Flour Millers' Association has bought** 35,000 tonnes of wheat of US origin to be shipped by 8th Feb from Columbia Grain Company. The purchase comprised 14,710 MT of dark northern spring wheat of 14.5% bought at USD 349.35/MT FOB and 20,290 tonnes of hard red winter wheat of 12.5% protein bought at USD 328.77/MT FOB.

**Bangladesh state grain buying agency has bought** 50,000 MT of wheat from Bangkok based Phonix Commodities at USD 313.82/MT CIF liner out.

**Algeria state grain buying agency has bought milling** wheat of French origin at USD 311/MT, for January Shipment. Tunisia state grain buying agency has bought 100,000 MT of soft wheat of Optional origin. 25,000 MT was purchased from Casillo at USD 319.69/MT CNF and three 25,000 tonne consignments each from Nidera at USD 319.83/MT CNF.

**The Australian Bureau of Agriculture and Resource** Economics and Sciences (ABARES) forecast wheat production 7% more from previous forecast at 26.213 million tonnes, up from its previous estimate in September of 24.467 million tonnes due to improved weather conditions in west coast.

**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.

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	05.12.13	Week Ago 28.11.13	Month Ago (Nov)	3 Months Ago (Sept)	Year Ago (Dec)
USA (Gulf)	SRW 2	<b>-16.34</b>	283.60	283.00	280.95	268.40	339.00
France	FCW3	-	NA	NA	NA	246.90	351.50
United Kingdom	Feed wheat	-	NA	NA	NA	248.90	324.20
Australia	CWRS	<b>-16.66</b>	278.00	278.00	275.00	301.00	333.57
Russia	SRW	<b>-12.38</b>	283.00	283.00	272.00	243.00	323.00
Ukraine	SRW	<b>-12.50</b>	280.00	280.00	270.00	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:

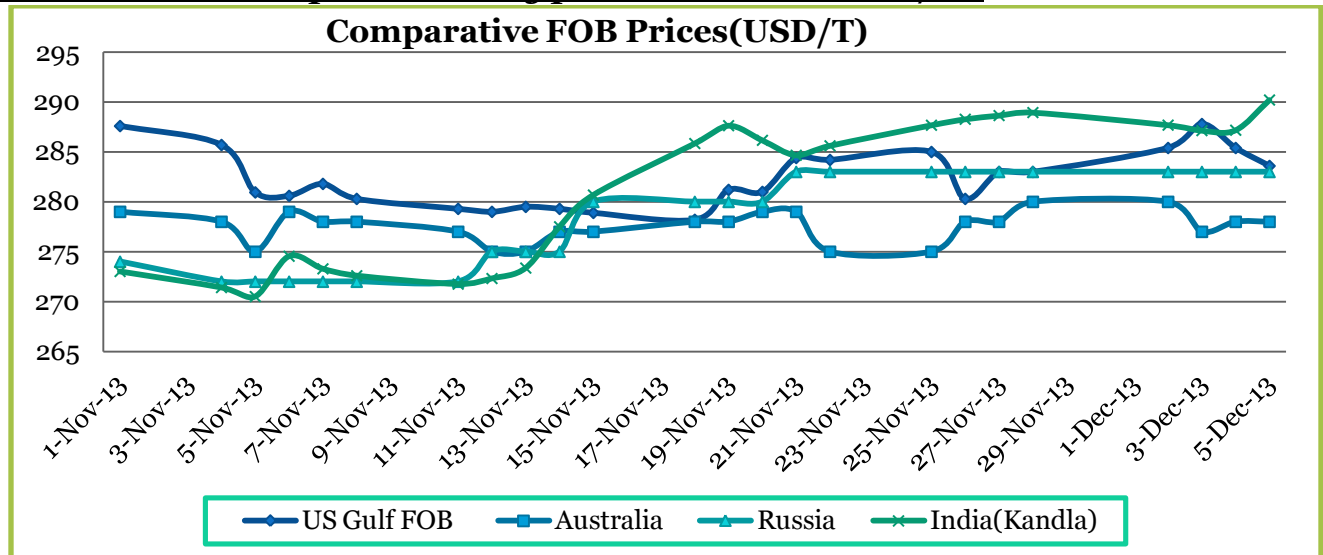
CBOT Futures Prices: Date: 06.12.13 (USD/T)							
CONTRACT MONTH	06 Dec 13	Week ago (29 Nov 2013)	1 Month ago(05 Nov 13)	3 Month ago(05 Sept 13)	6 Month ago(05 Jun 13)	1 Year ago(05 Dec 12)	% Change over previous year
13-Dec	234.13	240.65	241.01	235.23	265.54	325.79	<b>-28.14</b>
14-Mar	239.18	245.70	245.15	240.00	270.87	327.45	<b>-26.96</b>
14-May	241.20	247.54	247.26	242.94	274.45	323.31	<b>-25.40</b>
14-Jul	240.28	246.43	246.43	240.83	276.84	309.63	<b>-22.40</b>
14-Sep	243.31	249.28	249.65	243.40	279.13	309.81	<b>-21.46</b>
14-Dec	247.63	252.95	253.97	247.63	280.97	312.75	<b>-20.82</b>

## CBOT March 14 Future Charts:





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



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

**Australia-** The warmth and dryness helped maintain winter crop quality and allowed wheat, barley, and canola harvesting to proceed. Elsewhere, for a second consecutive week, widespread showers overspread northern New South Wales and southern Queensland.

**Argentina-** Locally heavy rain increased moisture for summer crop establishment as well as development of immature winter grains. Rainfall totaled 25 to 100 mm in the high-yielding farming areas of central Argentina, with amounts in excess of 100 mm recorded in northern Buenos Aires.

**Russia and Ukraine –** Winter wheat added vegetative growth from southern Ukraine into southern portions of Russia's Southern District, where weekly average temperatures remained well above 5°C. Rain provided soil moisture for winter wheat in key growing areas of the Southern District.

**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.