

Domestic Market Updates:

So far wheat has been sown in 253.75 lakh hectares as compared to 227.52 lakh tonnes in 2012-13 at the same time. Sowing pace has been better this year owing to better weather condition, good availability of water and shift in area from others crops.

Farmers have enhanced wheat area on expectation of good rainfall in winter season and due to better water availability this year. Loss of soya crop in M.P. and Rajasthan has encouraged them to sow more wheat. Area under mustard, coriander and chana is likely to shift to wheat in M.P, Gujarat and Rajasthan.

Assured MSP for wheat, coupled with bonus in some states too have attracted farmers to grow more wheat. Initial feedback shows that India is heading towards record crop once again under normal condition. Market participants have started looking wheat production over govt.'s production target of 92.4 million tonne.

MMTC has received the highest bid of USD 283/MT in a tender of 55,000 MT wheat to be shipped from West coast.

PEC has received the highest bid of USD 285.41/MT from Emmsons Gulf DMCC, Dubai for its 120,000 MT wheat tender to be shipped from Kandla. In another tender of 35,000 MT wheat tender from Vizag port PEC received the highest bid of 287.10/MT from Phoenix Commodities BVI.

1.8 million Tonnes of wheat have been sold under OMSS scheme to bulk buyers since July 2013. Government target is to sell 8.5 million tonnes wheat under OMSS scheme to bulk buyers. Pace of lifting has increased in November as stock with private traders and farmers are dwindling.

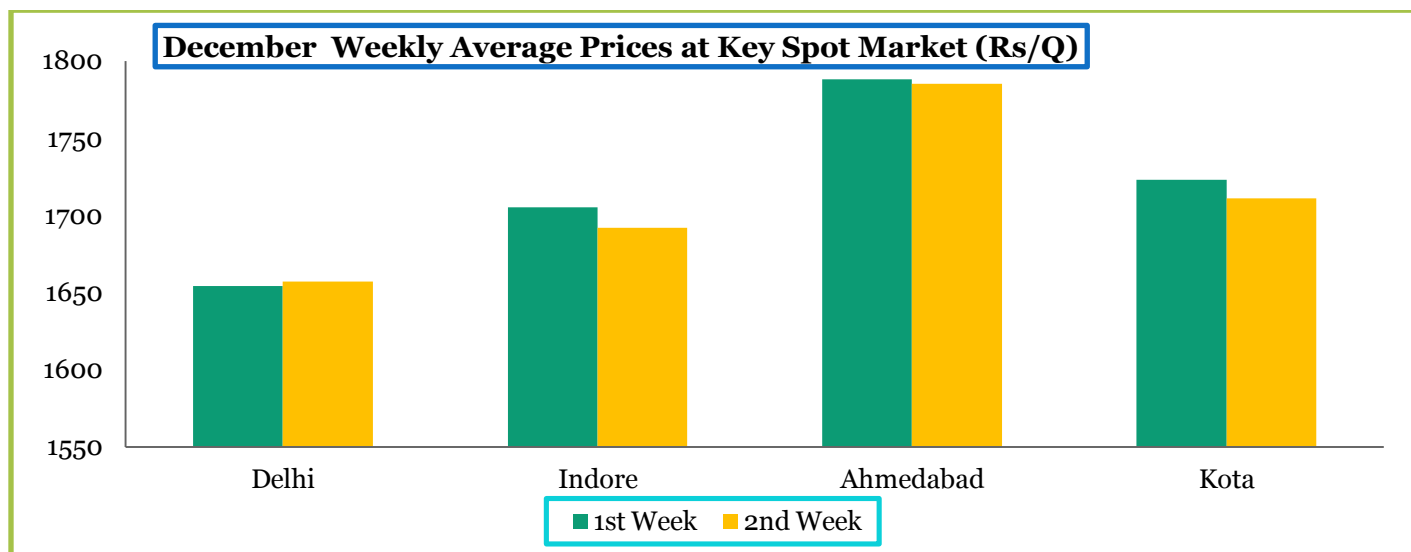
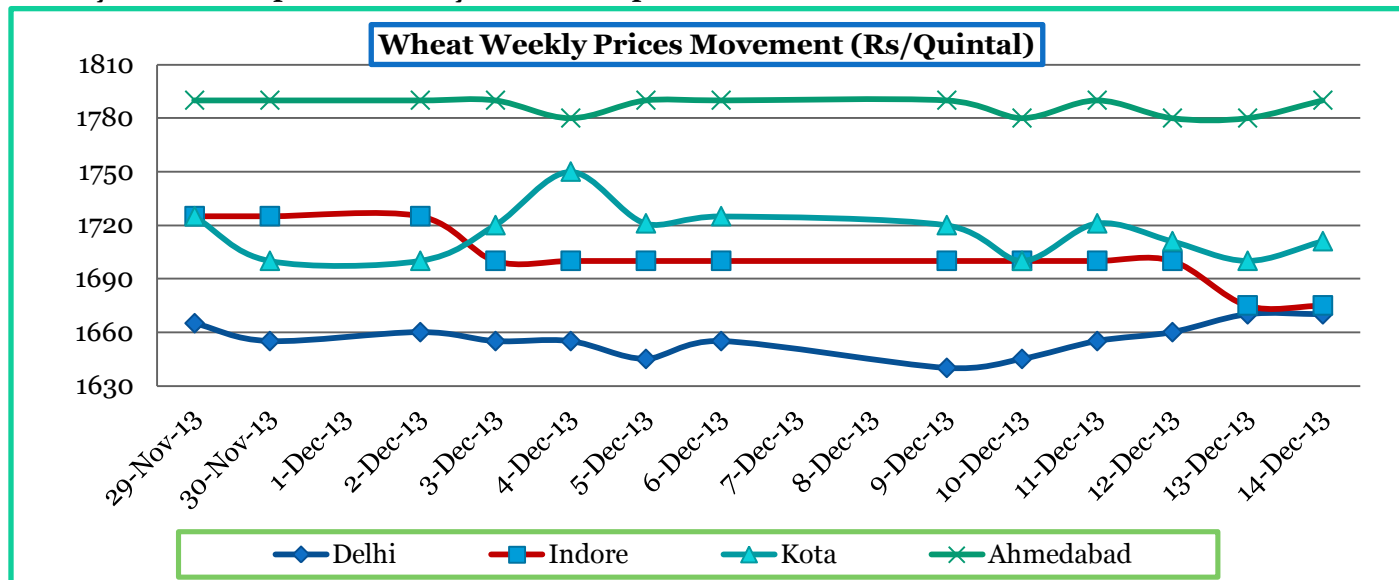
As per IBIS data 0.65 lakh tonnes of wheat was exported from India in November 2012 as compared to 6.90 lakh tonnes in November 2012. In 2013-14 from April to November 34.60 lakh tonnes of wheat was exported as compared to 37.80 lakh tonnes for the same period last year.

Diversion from PDS and sufficient supply from central pool stock are likely to contain prices however premium grade wheat like Sharbati, Lokvan, Tukda and Bansi will continue to trade firm as there is visible short supply in cash markets, according to market participants. Limited release of Premium wheat variety from Central pool is also a visible reason for price rise.

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
EAST ZONE	9.09	0.00	9.09
NORTH EAST ZONE	0.49	0.00	0.49
NORTH ZONE	98.02	154.77	252.79
SOUTH ZONE	5.21	0.00	5.21
WEST ZONE	20.63	48.92	69.55
TOTAL	137.30	203.69	340.99

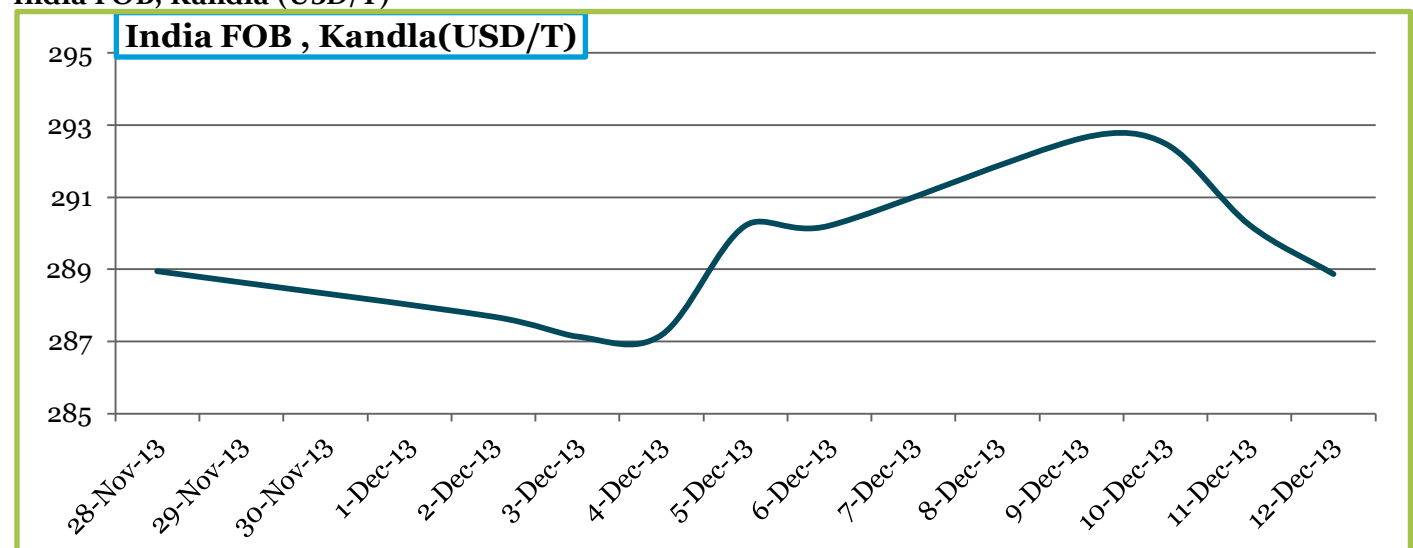
(Figures in Lakh Tonnes)

FOB Value as on 14.12.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	Eco.Cost
Basic cost of wheat (Rs/ton)	16050	16000	15800	16750	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)	17250	17650	18200	18700	18050	15700	19100
Indian FOB (USD/MT)	277.69	284.13	292.98	301.03	290.57	252.74	307.47
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)	296	302	311	319	309	271	325
INR	62.12	62.12	62.12	62.12	62.12	62.12	62.12
Russian Wheat FOB (USD/MT)	283	283	283	283	283	283	283
Parity on FOB Basis (USD/MT)	5	-1	-10	-18	-8	30	-24

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

	14 Dec, 2013	Week ago 07 Nov 13	Month ago 14 Nov 13	Year ago 14 Dec 2012	Change over previous Year %
Indore	1703	1688	1713	1570	8.48
Bareilly	1740	1740	1705	1550	12.26
Delhi	1670	1650	1629	1582	5.56
Khanna	1756	1778	1701	1668	5.29
Kanpur	1670	1650	1660	1488	12.23
Karnal	1650	1580	1575	1540	7.14
Rajkot	1713	1702	1702	1650	3.79
Kota	1713	1734	1703	1613	6.17

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	3.18	265.67	240.16
Sept-13	1.79	267.21	241.05
Oct-13*	0.57	271.70	253.25
Nov-13*	0.65	279.27	242.74
Total 13-14	35.87	283.79	248.44

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

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			14.12.2013	07.12.2013	
	Lawrence Road	Mill Quality	1670	1655	15
	Nazafgarh	Mill Delivery Loose	1620	1600	20
	Narella	Mill Delivery Loose	1625	1625	Unch
Gujarat	Rajkot	Mill Delivery	1700	1710	-10
	Ahmadabad	Mill Delivery	1790	1790	Unch
M.P.	Bhopal	Mill Quality Loose	1600	1600	Unch
	Indore	Mill Delivery	1750	1700	50
Rajasthan	Kota	Mill Quality	1600	1600	Unch
U.P.	Mathura	Mill Quality Loose	1565	1550	15
Punjab	Khanna	Mill Quality Loose	1540	1575	-35
Haryana	Sirsa	Mill Delivery loose	1550	1550	Unch

Commodity: Wheat
Contract: January

Exchange: NCDEX
Expiry: 20th 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	1670	1685	1692
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	January	Buy	Above 1660	1670	1675	1656

*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:

Egypt's GASC has bought 300,000 MT of Romanian and French wheat for 10th -20th January Shipment. 60,000 tonnes of Romanian wheat was purchased from Toepfer at USD 310.90/MT CNF and 120,000 tonnes Romanian wheat from Ameropa at USD 312.38/MT CNF. 120,000 tonnes of French wheat from Bunge at USD 319.46/MT CNF.

Bangladesh has received the lowest offer of USD 311/MT CIF Liner Out of Optional origin to be shipped within 40 days of contract signing. Midgulf International limited is said to be the shipper.

USDA WASDE report has increased the global wheat production to 711.42 million tonnes from 706.38 million tonnes due to Statistics Canada increase in production estimate by 5 million tonnes to 37.5 million tonnes and Increase in production in Australia to 26.5 million tonnes.

USDA WASDE report has increased the Global trade to 156.92 million tonnes from 153.72 million tonnes owing increased exports from Canada, Australia and EU. Global ending stocks are forecasted to rise to 182.78 million tonnes from 178.48 million tonnes.

France Soft wheat export was 1.5 million tonnes in October taking 2013-14 marketing year exports to 5.6 million tonnes starting since July 2013, which is 14% more for the same period last year. Algeria is the top destination for French wheat as per custom data.

Brazil has raised its wheat crop forecast by 11% to 5.36 million tonnes from 4.81 million tonnes recently, due to favorable weather in top producing state Rio Grande do Sul.

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.

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.

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
Production	685	679	653	695	655	696	698
Trade	137	128	126	145	141	142	142
Consumption	645	652	657	696	673	690	692
Carryover stocks	173	199	194	193	175	182	181
Y-O-Y change	41	27	-4	-1	-18	7	6
Major Exporters	69	79	73	69	48	53	51

Indicative FOB Quotes:

	Variety	% Change over Prev. Year	12.12.13	Week Ago 05.12.13	Month Ago (Nov)	3 Months Ago (Sept)	Year Ago (Dec)
USA (Gulf)	SRW 2	-13.89	277.00	283.60	279.00	275.00	321.70
France	FCW3	-	NA	NA	NA	246.20	342.30
United Kingdom	Feed wheat	-	NA	NA	NA	248.90	324.20
Australia	CWRS	-16.22	274.00	278.00	275.00	301.00	327.04
Russia	SRW	-12.38	283.00	283.00	275.00	244.00	323.00
Ukraine	SRW	-12.50	280.00	280.00	273.00	242.00	320.00
Argentina	SRW	-06.94	335.00	335.00	355.00	295.00	360.00

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.

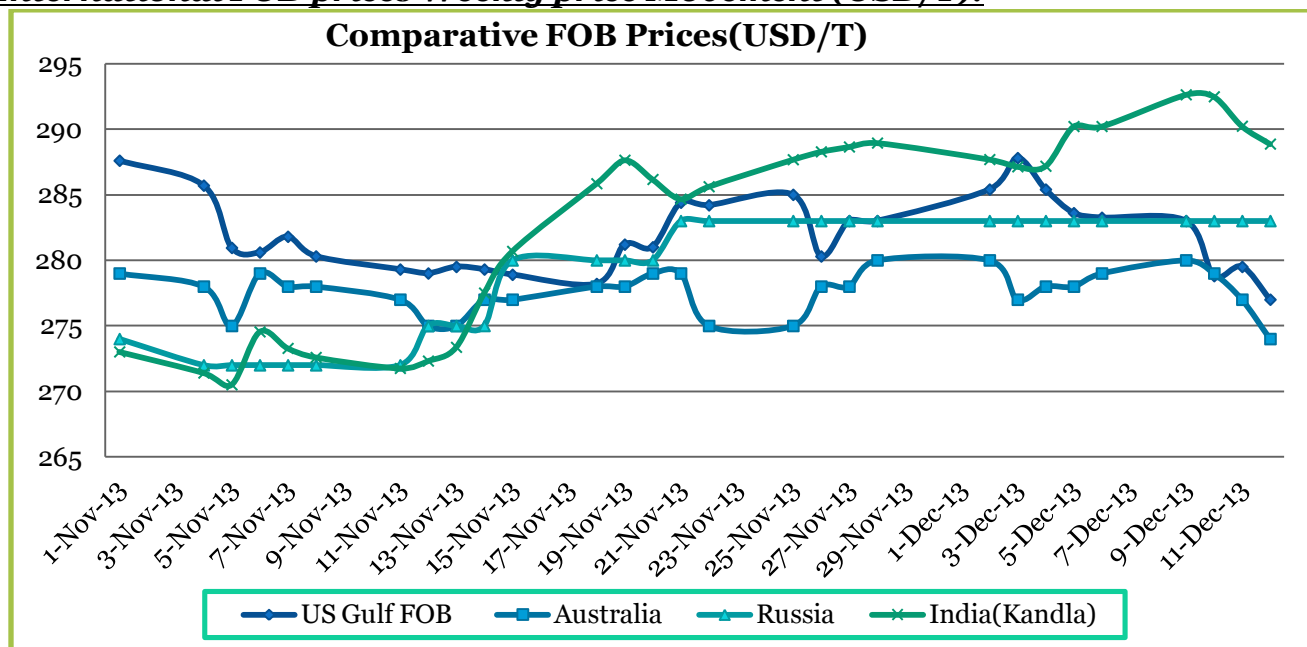
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 13.12.13 (USD/T)							
CONTRACT MONTH	13 Dec 13	Week ago (6 Dec 2013)	1 Month ago (13 Nov 13)	3 Month ago (13 Sept 13)	6 Month ago (13 June 13)	1 Year ago (13 Dec 12)	% Change over previous year
13-Dec	231.00	239.18	240.83	242.12	264.80	318.81	-27.54
14-Mar	233.21	241.20	242.48	241.57	268.57	317.34	-26.51
14-May	234.03	240.28	242.85	241.20	270.87	306.32	-23.60
14-Jul	237.34	243.31	246.07	243.49	273.53	306.50	-22.57
14-Sep	242.48	247.63	250.38	246.34	275.83	309.99	-21.78
14-Dec	245.33	249.56	252.22	249.10	278.03	307.70	-20.27

CBOT March 14 Future Charts:



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



International Weather update: (Source-USDA)

Australia- In western and southeastern Australia, widespread showers (5-25 mm, locally more) slowed wheat, barley, and canola harvesting and may have increased local concerns about crop quality.

Argentina- Warm, mostly dry weather prevailed across central Argentina, spurring summer grain and oilseed planting but reducing topsoil moisture for germination and establishment

Russia and Ukraine – The season's first snow (2-10 cm) fell across portions of eastern Ukraine and western Russia, although more snow will be needed to fully protect winter crops from the region's harsh winter weather.

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.

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