

Domestic Market Updates:

Wheat sowing in 2013-14 Rabi season has reached 273.37 lakh hectares as compared to 253.20 lakh tonnes which is almost 8% more than previous year owing to good weather conditions and ample water availability.

Good production prospects, balanced supply-demand side and regular release from central pool stock have pressurized cash wheat market.

Wheat area in M.P, Rajasthan and Gujarat has improved considerably. Loss of soya crop in M.P. and Rajasthan is also a factor for more wheat acreage. Area under mustard, coriander and Chana is likely to shift to wheat in M.P, and Rajasthan.

WPI has increased from 213.60 in October to 217.10 in September. Inflation Y-o-Y basis has fallen slightly in November to 7.26% from 7.88% on October.

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.

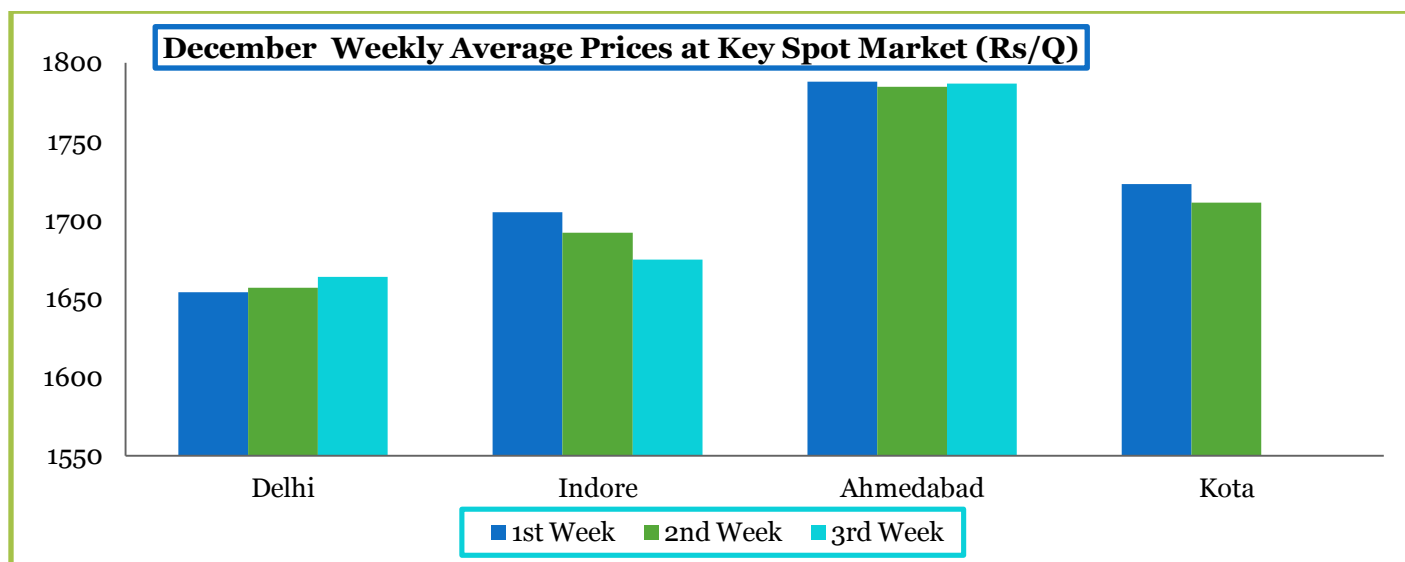
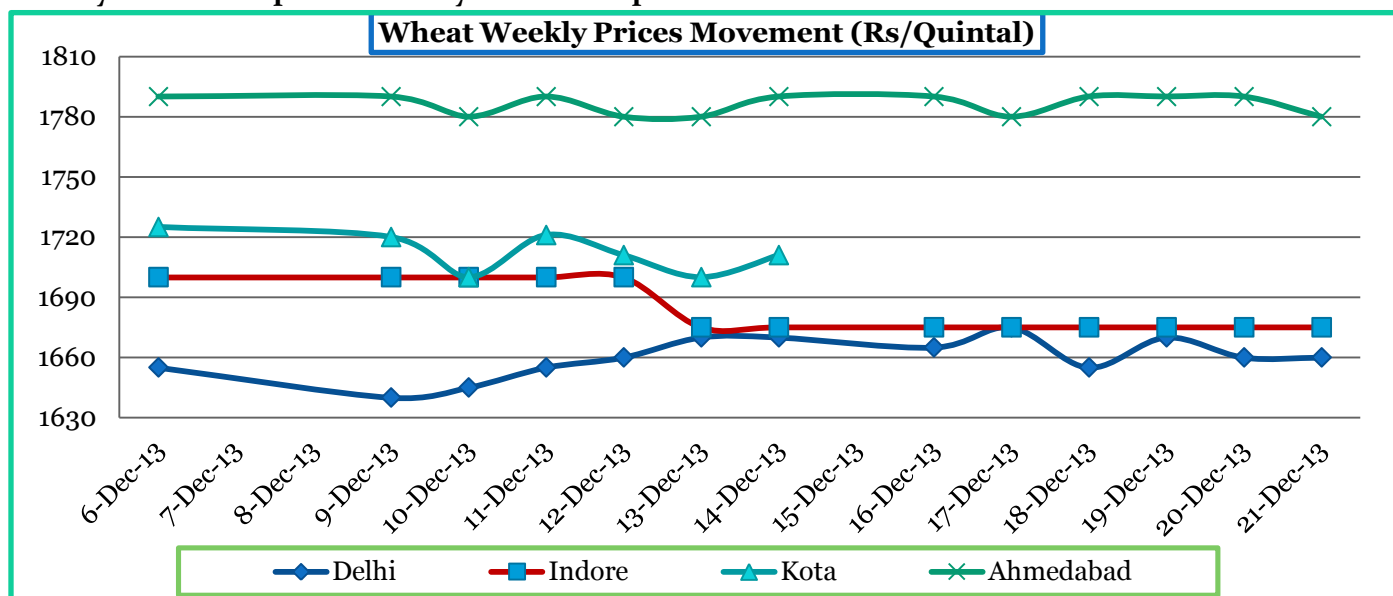
PEC has received the highest bid of USD 285.41/MT from Emmsons Gulf DMCC, Dubai for its 120,000 MT wheat tender to be shipped from Kandla. In another tender of 35,000 MT wheat tender from Vizag port PEC received the highest bid of 287.10/MT from Phoenix Commodities BVI.

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.

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:



*Kota Mandi prices unavailable for 3 week

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

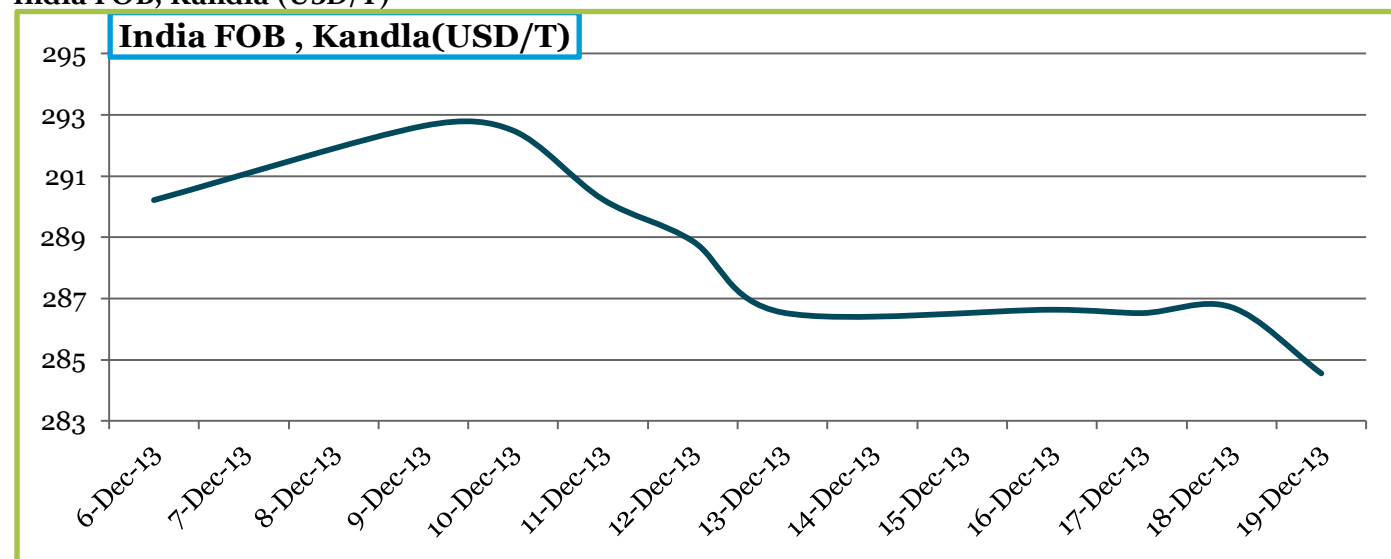
(Figures in Lakh Tonnes)

FOB Value as on 21.12.2013 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	Eco.Cost
Basic cost of wheat (Rs/ton)	16000	16100	15900	16750	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)	17200	17750	18300	18700	18150	15700	19100
Indian FOB (USD/MT)	276.35	285.19	294.02	300.45	291.61	252.25	306.88
Insurance @ 0.1%	0.28	0.29	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)	294	303	312	318	310	270	325
INR	62.24	62.24	62.24	62.24	62.24	62.24	62.24
Russian Wheat FOB (USD/MT)	287	287	287	287	287	287	287
Parity on FOB Basis (USD/MT)	11	2	-7	-13	-5	35	-20

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

	21 Dec, 2013	Week ago 14 Nov 13	Month ago 21 Nov 13	Year ago 21 Dec 2012	Change over previous Year %
Indore	1677	1703	1708	1575	6.48
Bareilly	1642	1740	1695	1550	5.94
Delhi	1578	1670	1671	1579	-0.06
Khanna	1756	1756	1729	1651	6.37
Kanpur	1670	1670	1643	1490	12.08
Karnal	1550	1650	1580	1530	1.31
Rajkot	1713	1713	1710	1655	3.47
Kota	-	1713	1780	1635	-

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			21.12.2013	14.12.2013	
	Lawrence Road	Mill Quality	1660	1670	-10
	Nazafgarh	Mill Delivery Loose	1640	1620	20
	Narella	Mill Delivery Loose	1645	1625	20
Gujarat	Rajkot	Mill Delivery	1690	1700	-10
	Ahmadabad	Mill Delivery	1780	1790	-10
M.P.	Bhopal	Mill Quality Loose	1610	1600	10
	Indore	Mill Delivery	1750	1750	Unch
Rajasthan	Kota	Mill Quality	NA	1600	-
U.P.	Mathura	Mill Quality Loose	1550	1565	-15
Punjab	Khanna	Mill Quality Loose	1550	1540	10
Haryana	Sirsa	Mill Delivery loose	1540	1550	-10

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: Sell on rise

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	January	1632	1640	1677	1685	1692
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	January	Sell	Below 1680	1670	1665	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:

Morocco will remove import duty on Soft wheat import from 1 Jan 2014 to April 2014 to contain rising domestic wheat prices by boosting import. Morocco is expected to import around 2 million tonnes till next harvest in April.

Ministry of Agriculture in Argentina has raised the wheat production estimate to 9 million tonnes from 8.5 million tonnes for 2013-14 crop.

EU's second largest wheat producer and exporter are expected to expand winter wheat sowing by 2.5% to 3.3 million hectares owing to good demand and favorable weather conditions.

Tunisian state grain buying agency has bought 109,000 MT of soft wheat at USD 314.89/MT CNF and 134,000MT of Durum wheat at USD 379.84/MT CNF.

Iraq state grain buying board has bought 350,000 MT of Australian wheat in numerous tenders in the range of USD 339.70-346.46/MT, CNF Free out to be delivered between 12 March 2014 to 25 May 2014.

Iran State grain buying agency GTC has purchased 250,000 MT of Mexican origin Durum wheat for March/April 2014 delivery and 300,000 MT of Black sea origin wheat for February delivery.

Egypt GASC has bought 60,000 tonnes of high protein Romanian wheat from Glencore at USD 301.97/T with freight costs of USD 15.75/T and 60,000 tonnes of Russian wheat from Cargill at USD 302.70/T with freight costs of USD 16.25/T.

According to traders, dwindling supplies from Black Sea region and higher demand of Australian wheat in Asia might support EU exports of Soft wheat. USDA is expecting 25 million tonnes of soft wheat export from EU as compared to record export of 22 million tonnes in 2009.

According to Coceral, Soft wheat production in the EU is expected to total 135.9 million tonnes in 2013, which is an increase of more than 600,000 tonnes compared with its previous estimate.

Australian wheat was offered at USD 339.70/MT CNF Liner out for 50,000 MT milling wheat tender issued by Iraq. The lowest offer for U.S. wheat was USD 358.87/MT CNF liner and the lowest offer for Canadian wheat was USD 361.05 /MT CNF liner out.

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	19.12.13	Week Ago 12.12.13	Month Ago (Nov)	3 Months Ago (Sept)	Year Ago (Dec)
USA (Gulf)	SRW 2	-16.20	268.48	277.00	281.00	273.00	320.40
France	FCW3	-14.22	282.23	282.32	275.73	251.00	329.00
United Kingdom	Feed wheat	-	NA	NA	NA	248.90	324.20
Australia	CWRS	-20.07	262.00	274.00	279.00	300.00	327.80
Russia	SRW	-11.15	287.00	283.00	280.00	247.00	323.00
Ukraine	SRW	-10.94	285.00	280.00	277.00	245.00	320.00
Argentina	SRW	-6.94	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.

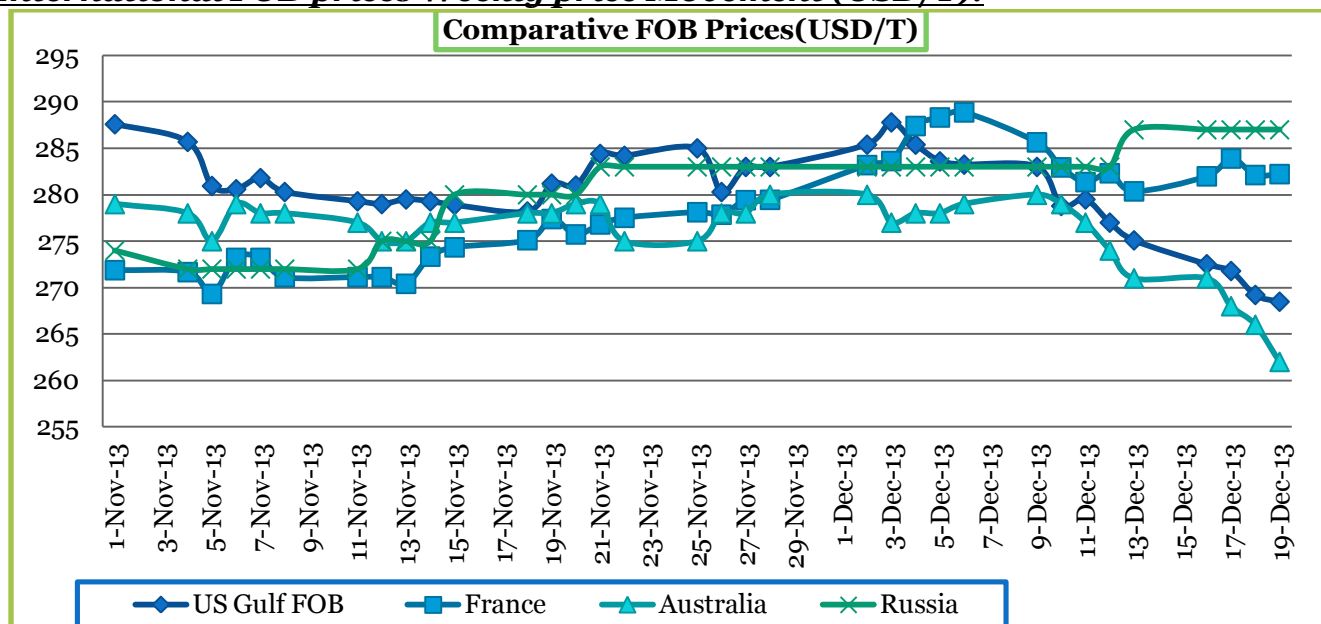
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 13.12.13 (USD/T)							
CONTRACT MONTH	20 Dec 13	Week ago (13 Dec 2013)	1 Month ago (20 Nov 13)	3 Month ago (20 Sept 13)	6 Month ago (20 Jun 13)	1 Year ago (20 Dec 12)	% Change over previous year
14-Mar	225.40	231.00	240.83	241.38	269.49	308.52	-26.94
14-May	228.06	233.21	242.21	243.49	272.89	307.61	-25.86
14-Jul	229.53	234.03	240.56	241.57	274.82	295.67	-22.37
14-Sep	233.02	237.34	243.31	243.40	276.84	297.96	-21.79
14-Dec	237.71	242.48	247.44	247.35	279.04	299.71	-20.69
15-Mar	240.65	245.33	249.28	250.38	280.60	297.41	-19.09

CBOT March 14 Future Charts:



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



International Weather update: (Source-USDA)

Australia- Generally dry weather allowed winter crop harvesting to regain momentum in western and southeastern portions of Australia's wheat belt.

Argentina- Beneficial rain returned to much of central Argentina, increasing moisture for germination and establishment of summer grains and oilseeds.

Russia and Ukraine –Snow depths averaged 2 to 15 cm over most major winter wheat areas, providing adequate protection against potential incursions of bitter cold. Temperatures averaged up to 7°C below normal, though the coldest readings occurred in areas with a moderate to deep snowpack.

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.