

Executive Summary

In month of March domestic markets traded weak as new wheat crop arrivals in M.P and Gujarat during second half of month created pressure in the market and old crop arrivals unloaded in market by farmer to make way for new crop created pressure during first half of the month. Prices are expected to fall to near MSP level in Month ahead as abundant supply will create pressure. New crop arrivals are reaching mandis in M.P and Gujarat. Arrivals in U.P, Punjab and Haryana are expected to be at peak by mid April.

Abnormal temperature in February and March in major wheat growing belt, especially in Uttar Pradesh, Bihar, Rajasthan, Haryana and Gujarat has affected the yield but overall crop scenario remains same. Due the abnormal weather wheat quality in Gujarat and Madhya Pradesh has been affected.

Export from India will continue and India is expected to export around 9 million tonnes wheat in 2013-14. Export quotes has fallen as fresh crop is making inroads in Gujarat and M.P. PSU's tender has fallen to USD 300/T from USD 305/T. Private export quote may fall further to USD 290-295/T by April end.

International Markets may trade weak better crop prospects in major producing and exporting countries. IGC estimate 4% increase in wheat crop in next year from this year. Spot and Future are likely to remain under pressure as crop condition has improved in Black sea region and US, moreover USDA report on stocks has created bearish pressure in the market.

Domestic Market Dynamics:

Domestic cash wheat market traded weak in March on continuous supply from central pool stock, new crop arrivals in parts of Madhya Pradesh and Gujarat and slack buying from private traders as they are waiting for new crop and for market to stabilize at lower levels. Prices also fell as farmers and traders are selling old crop at low price to clear the stock. Prices are expected to fall further and trade near MSP level this April month.

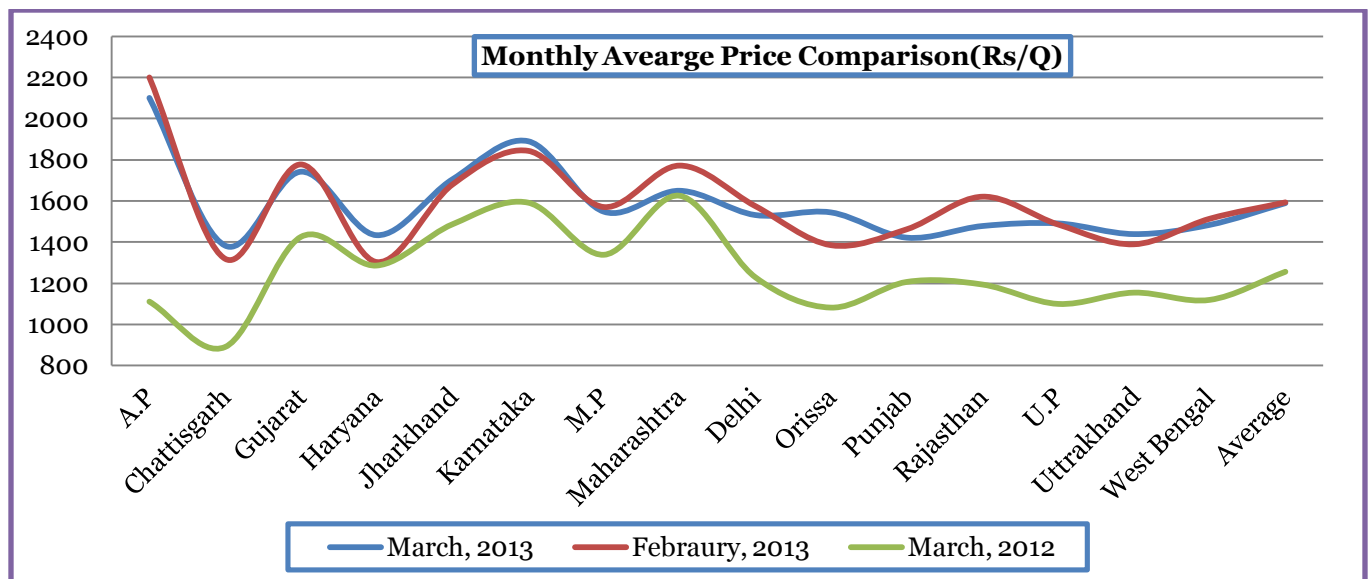
India's Wheat Balance Sheet:

	2010-11	2011-12	2012-13	2013-14*
Carry in	13.42	16.12	20.93	26.73
Production	80.8	86.81	94.8	93.7
Imports	0.15	0	0	0
Total Availability	94.37	102.93	115.73	120.43
Consumption	78.15	81	84	85
Exports	0.1	1	5	9
Total Usage	78.25	82	89	94
Carry out	16.12	20.93	26.73	26.43
Av Monthly Consumption	6.51	6.75	7.00	7.08
Stock to Month Use	2.48	3.10	3.82	3.73
Stock to Consumption Ratio	0.21	0.26	0.32	0.31

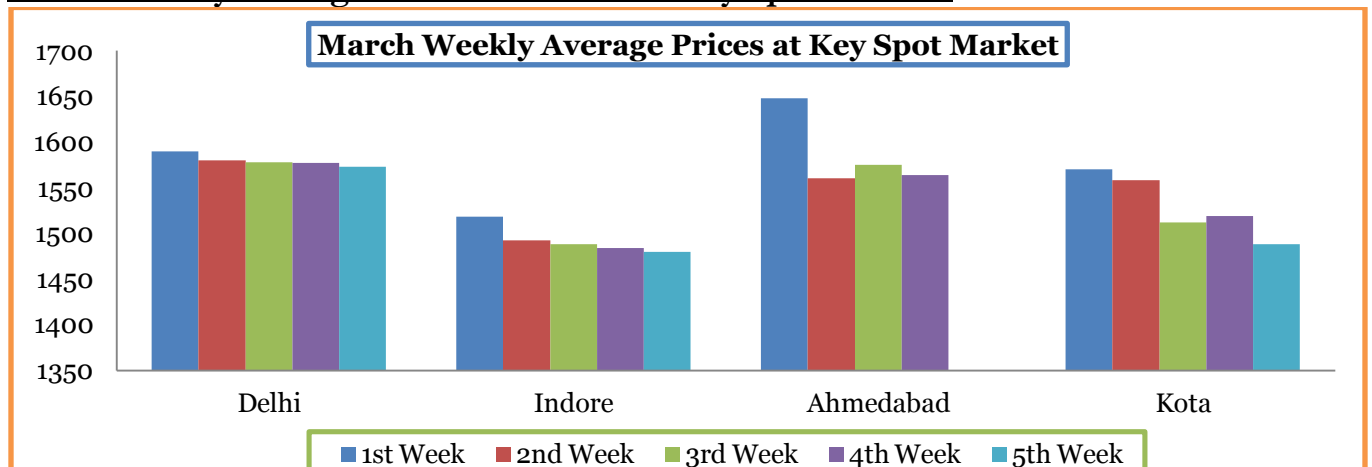
Balance sheet highlights:

- Higher area coverage in major wheat growing states like Uttar Pradesh, M.P and Bihar indicates and lower area coverage in Gujarat, Maharashtra and Rajasthan. We expect wheat production to be around 93.7 million Tonnes and even if yield falls due to erratic weather than also crop will be no less than 93 million tonnes.
- Indian exports are expected to be around 9 million tonnes but Black Sea region crop will challenge Indian exports.
- Carry Out may fall below 2012-13 level in 2013-14 due to better exports and a little fall in production along with increase in consumption.

Monthly Average Price Comparison:

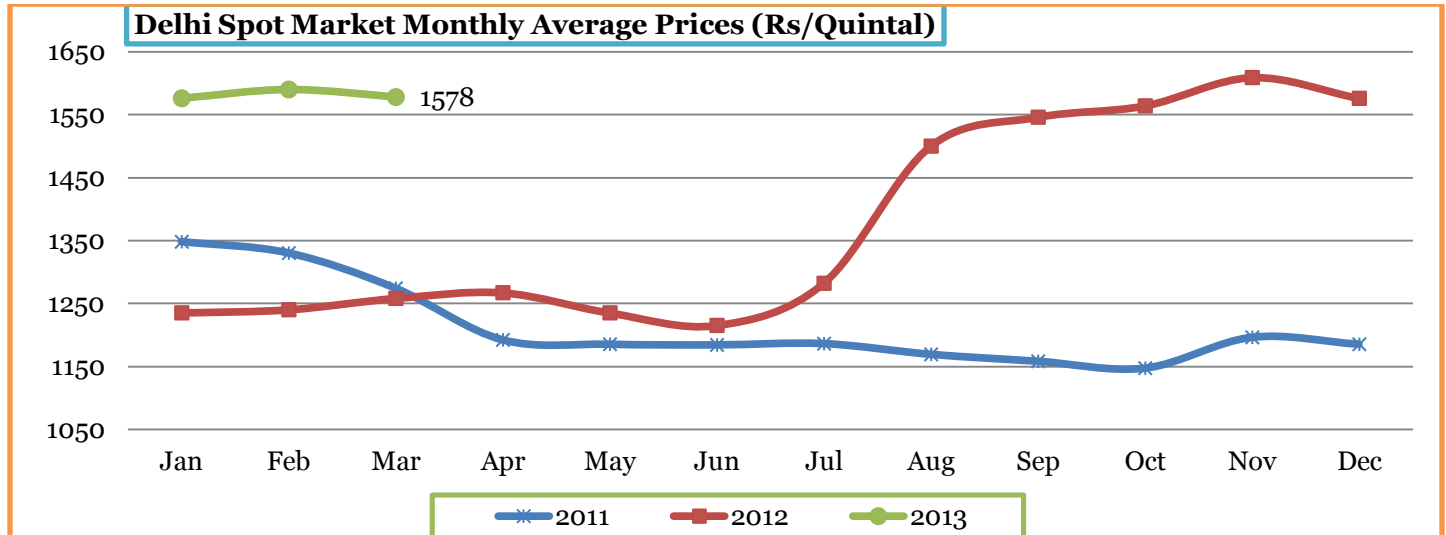


Wheat Weekly Average Price Movement at key Spot Market:

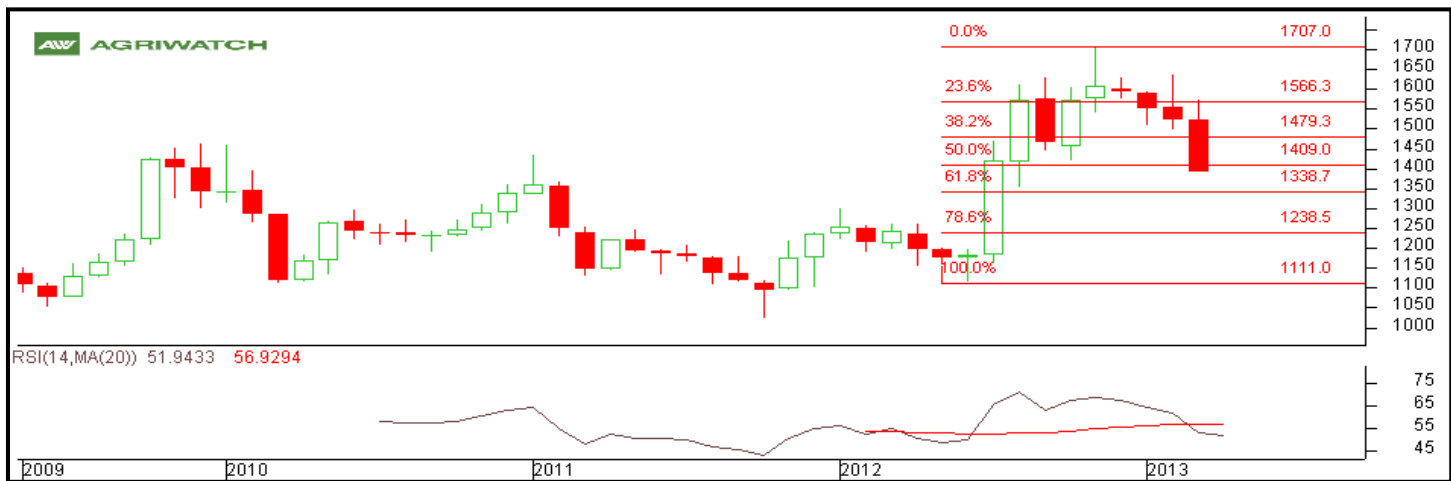


Wheat prices in March were weak due to supply pressure created by new wheat crop arrivals in M.P, Rajasthan and U.P. Prices will fall further once harvesting begin in Punjab, Haryana and U.P.

Wheat Average Monthly Prices movement during last three years



Wheat Technical NCDEX Monthly:



- Future prices have fallen in this month owing supply pressure.
- Market participants are advised to go short with target of 1370 and stop loss of 1420.

Support and Resistance				
<i>S2</i>	<i>S1</i>	<i>PCP</i>	<i>R1</i>	<i>R2</i>
1338	1350	1393	1460	1480

Rabi Crop 2013-2014

State wise Rabi Crop Situation 2012-13 (Area in Lakh Hectare)				
State	As on 14.12.2012	As on 4.01.2013	As on 18.01.2013	As on 15.02.2013
U.P	71.01	95.30	96.88	97.53
Haryana	22.74	24.95	25.10	25.12
Punjab	33.18	35.00	35.15	35.15
Rajasthan	22.81	28.20	28.20	28.20
M.P	43.34	49.64	51.80	53.00
Gujarat	5.76	9.28	10.37	10.48
Bihar	11.98	21.56	22.71	23.18
Maharashtra	3.56	5.20	5.61	5.93
Others	13.07	17.25	19.16	19.79
All India	227.45	286.38	294.98	298.38

Sowing has been completed and an increase in area has been reported in Madhya Pradesh, Uttar Pradesh, Bihar and West Bengal and major fall in area coverage has been reported in Gujarat, Maharashtra and Rajasthan as compared to previous year. Late variety seed has been sown in recent times owing to increased MSP by central government and announcement of Bonus by M.P. government. Abnormal weather in January and February might affect the yield and final crop size. Total sown area in 2012-13 is 298.38 lakh hectares which is 22 thousand hectares lower than previous year's 298.61 lakh hectares; however it is way more than normal sown area of 282.62 lakh hectares.

Production estimate for 2013-14 Wheat Crop:

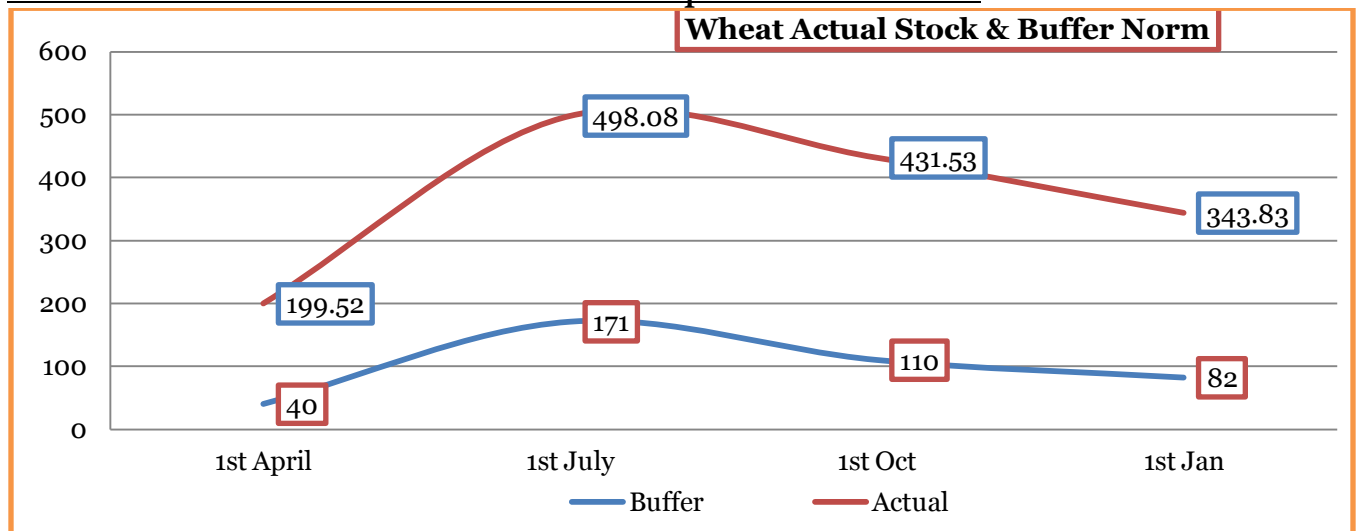
According to feedback from Traders/farmers/analyst as of now, wheat crops seems to be around 93.7 million tonnes as compared to 94.8 million tonnes last year. However, even if yield falls due to erratic weather conditions in February and March, we still expect crop to be around 93 million tonnes. Production is expected to fall as area sown has fallen owing to decrease in sown area in Maharashtra and Gujarat. Production is likely to increase in M.P and U.P.

	2012-13		2013-14*	
	Area	Production	Area	Production
Assam	0.49	0.59	0.42	0.50
Bihar	22.91	48.23	23.18	48.31
Chattisgarh	1.63	1.35	1.70	1.39
Gujarat	13.06	42	10.48	33.37
Haryana	25.22	128.62	25.12	126.83
Himachal pradesh	3.58	6.02	3.59	5.98
Jammu and Kashmir	2.2	4.12	2.45	4.54
Jharkhand	1.71	3.48	1.64	3.30

Karnatka	2.04	1.98	2.27	2.18
Madhya Pradesh	49.75	106.8	53.00	112.64
Maharahtra	8.43	14.12	5.93	9.83
Punjab	35.2	173.58	35.15	171.60
Rajasthan	29.35	93.98	28.20	89.39
Uttar Pradesh	95.31	303.24	97.53	307.20
Uttrakahnd	3.69	8.85	3.69	8.76
West Bengal	3.55	8.91	3.60	8.95
others	0.48	2.93	0.44	2.66
	298.60	948.8	298.38	937.44

***Estimate**

Wheat Actual Stock and Buffer Norm Comparison of 2012-13:



Reservoir Status:

- The Central Water Commission monitors the live storage of 84 important/major reservoirs, having capacity at Full Reservoir Level (FRL) of 154.42 billion cubic meters (BCM), which is about 73% of total reservoir capacity in the country.
- Water stock in 84 major reservoirs decreased to 56.07 BCM from the previous week's level of 57.34 BCM. Current storage is less than the last year's position of 54.81 BCM and lower than the average of last 10 year's storage of 48.33 BCM.
- There were 51 reservoirs having storage more than 80%, 11 reservoirs having storage between 50% to 80% of Normal Storage, 3 reservoir having storage between 30% to 50% of Normal storage, 19 reservoir having storage 30% or below of Normal Storage and 5 reservoir namely Kabini (Karnatka), Bhadar (Gujarat) and Bhima(Maharashtra) having no live storage.

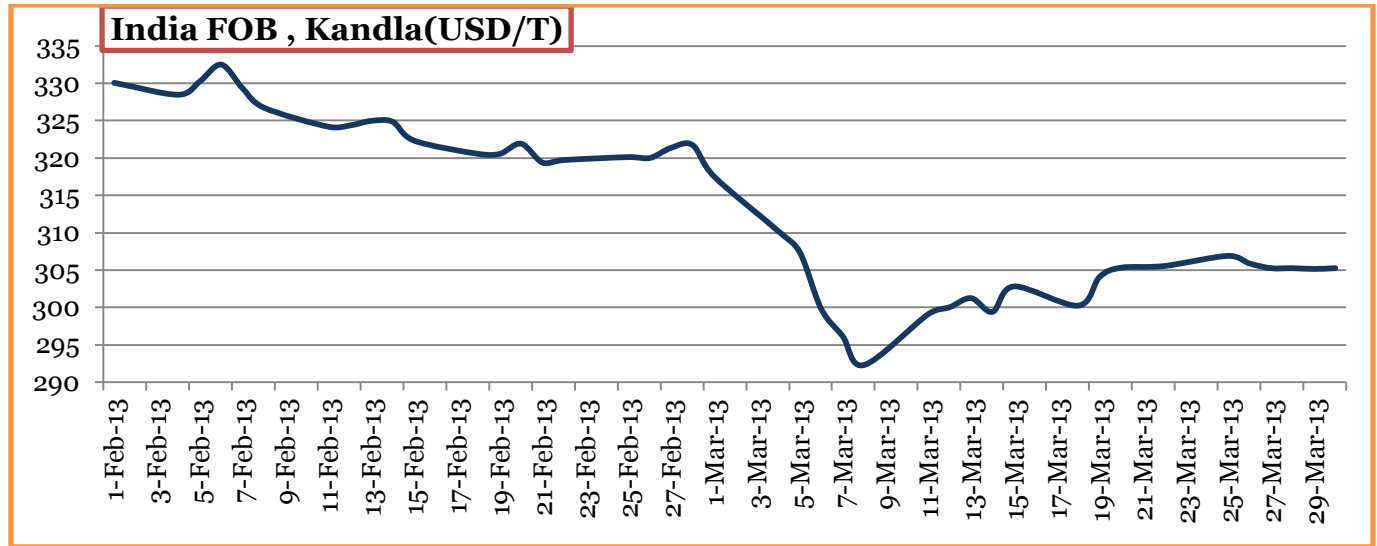
Table for 84 reservoirs of the Country in the month of February

Period	Current Year's storage as % of FRL*	Current Year's storage as % of last year	Current year as a % of 10 years average level.
Current Week (3 th Week)	36	102	116
Last Week(2 nd Week)	37	97	113
The percentage to live capacity at FRL was 39% on 21/03/2012, 42% on 21/03/2011, 30% on 18/3/2010 and 28% on 18/03 /2010.			
* Live storage as % to Full Reservoir Level (FRL) of 154.42 Billion Cub. Mts.(BCM)			

Wheat Exports from India

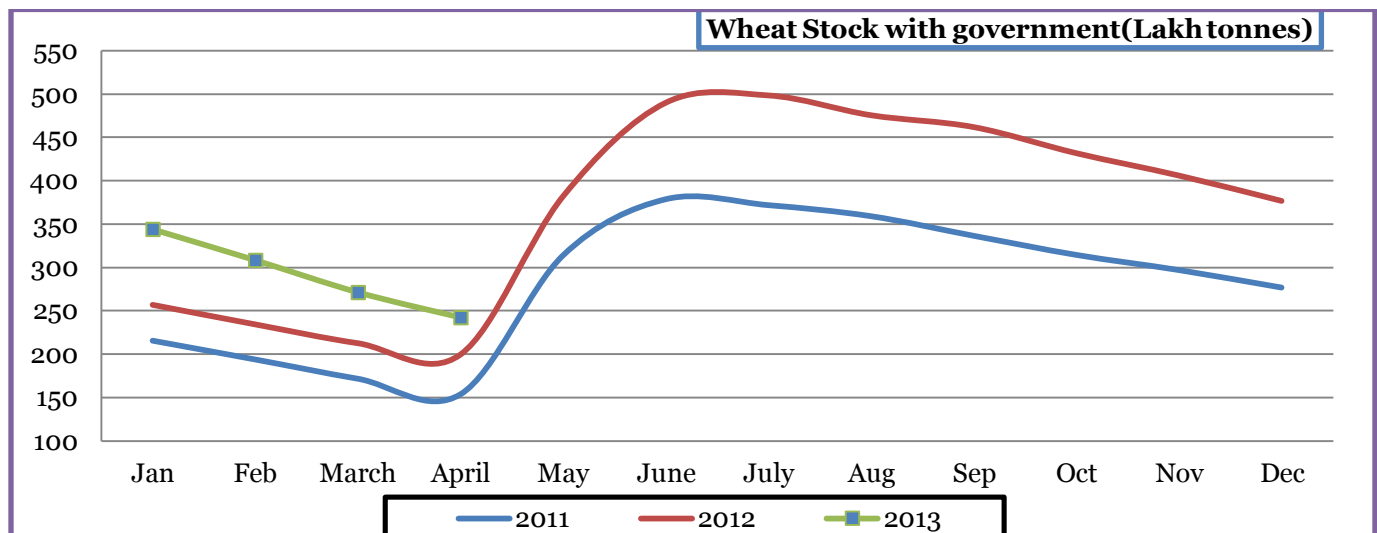
	Wheat Export(Lakh T)	Average FOB Kandla Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.68	232.12	237.46
Apr-12	1.18	236.89	235.13
May-12	2.57	252.15	236.73
Jun-12	3.45	256.64	245.82
Jul-12	3.35	296.12	318.27
Aug-12	3.95	310.07	328.89
Sep-12	3.55	314.48	326.52
Oct-12	3.75	312.11	317.84
Nov-12	4.26	320.19	317.04
Dec-12	6.42	326.70	299.60
Jan-13	5.12	325.04	282.26
Feb-13	5.88	324.11	270.06
Mar-13	6.09	303.64	262.31
Total for 2012-13	50.23		

In 2012-13, India exported around 5 million tonnes wheat mainly to Bangladesh, Sri Lanka, South East Asian nations and Middle Eastern nations. In 2013-14 we expect India can export around 9 million tonnes wheat however if Black sea region (Russia, Ukraine and Kazakhstan) harvest comes out good, it may restrict Indian export.



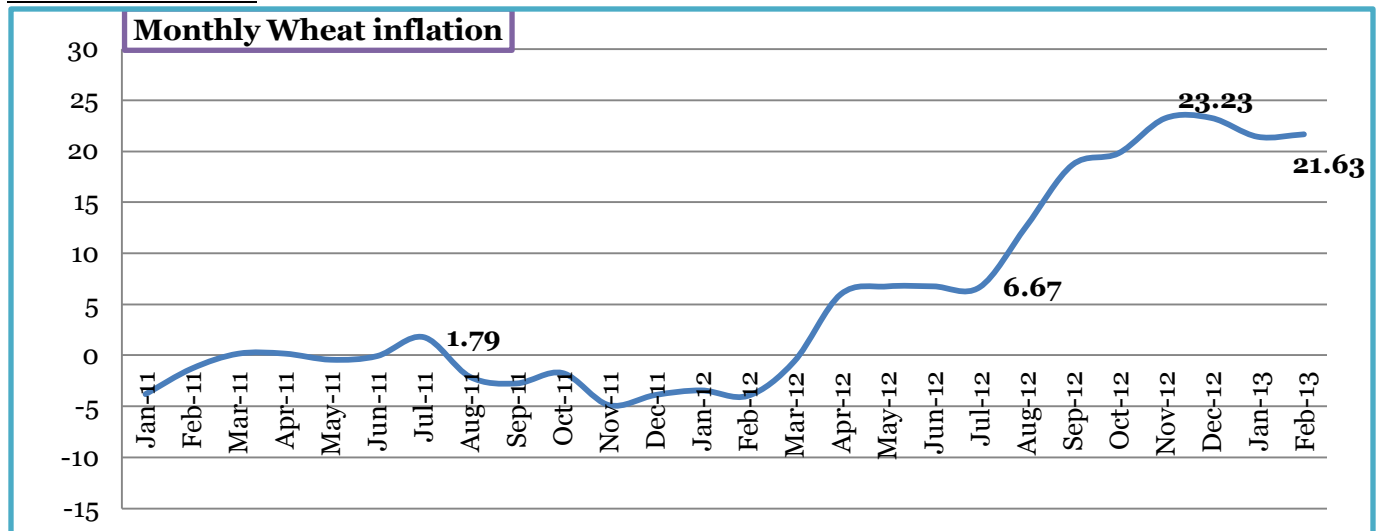
Indian FOB has risen for first two weeks and then consolidated. We expect FOB in April to be in the range of USD 300-290/T in March. FOB's will not fall too much as Madhya Pradesh government has given bonus Rs 150/Q above MSP of Rs 1350/Q and wheat Crop in Gujarat is lower.

Wheat Stocks with the Government as on 1st of Every Month



	Buffer Norms			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
1st April	122	40	162	20	30	212
1st July	98	171	269	20	30	319
1st October	52	110	162	20	30	212
1st January	118	82	200	20	30	250

Wheat Inflation



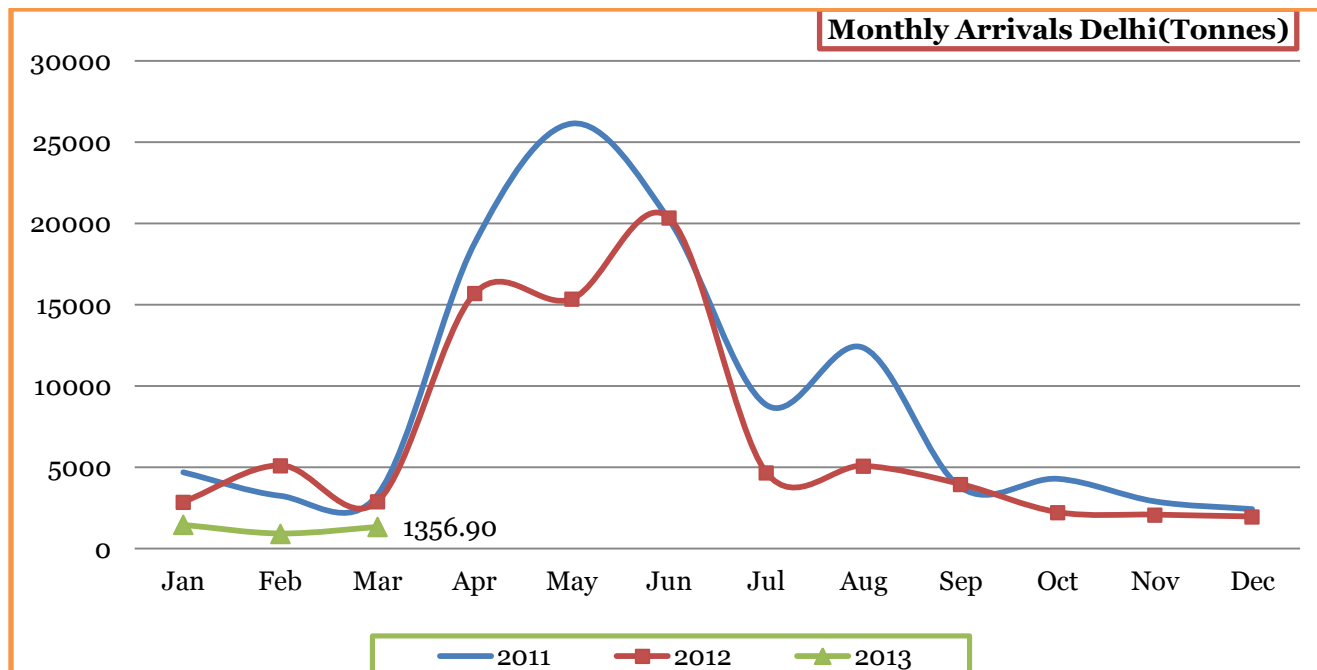
Monthly Average Prices at Various Spot Market					
	Delhi	Indore	Kota	Rajkot	Chennai
July	1584.40	1366.20	1433.90	1431.90	1435.30
August	1508.80	1561.70	1578.10	1620.80	1532.50
September	1545.80	1573.30	1559.00	1596.50	1781.30
October	1563.80	1558.00	1574.60	1552.60	1807.20
November	1607.00	1605.50	1589.90	1654.70	1928.90
December	1576.00	1581.00	1606.00	1680.00	1928.30
January 2013	1577.00	1593.15	1615.66	1655.20	1896.45
February 2013	1589.58	1607.61	1614.47	1646.81	1865.78
March 2013	1578.12	1525.80	1504.47	1571.66	1816.05

Inflation increased marginally to 21.63% in February 2013 from 21.39% in January and WPI for February 2013 was 206.9 as compared to previous month's 205.4. Monthly Average prices have fallen in Kota, Rajkot and Chennai due to new crop arrival pressure building up, and traders deferring purchases of old wheat crop.

Monthly Price Comparison of Spot Markets:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1/3/2013	1/4/2013	
Delhi					
	Lawrence Road	Mill Delivery	1590	1560	-30
	Nazafgarh	Mill Quality Loose	1555	1500	-55
	Narella	Mill Quality Loose	1555	1525	-30
Gujarat	Rajkot	Mill Delivery	1625	1625	Unch
	Ahmedabad	Mill Delivery	1675	1580	-95
	Surat	Mill Delivery	1700	1600	-100
M.P.	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1500	1485	-15
Rajasthan	Kota	Mill Quality	1470	1400	-70
	Kota	Mill Delivery	1570	1500	-70
U.P.	Kanpur	Mill Delivery	1610	1475	-135
	Mathura	Mill Quality Loose	1540	1430	-110
	Kosi	Mill Delivery	1700	1600	-100
Punjab	Khanna	Mill Quality Loose	1470	1450	-20
	Jagraon	Mill Delivery	1560	1530	-30
Haryana	Sirsa	Mill Delivery loose	1525	1465	-60
	Hodal	Mill Delivery	1580	1525	-55
Tamil Nadu	Chennai	Mill Quality	1810	1750	-60
	Madurai	Mill Quality	1860	1800	-60
	Coimbatore	Mill Quality	1860	1800	-60
Chattisgarh	Raipur	Mill Quality	1550	1550	Unch
Bihar	Begusarai	Mill Quality	1675	1475	-200

Monthly Arrivals at Delhi (Narela and Najafgrah)



Domestic Outlook: Spot and Future market are expected to trade under pressure in April as new crop arrival will pressurize market.

International Market Dynamics:

International Future and Spot market traded weak in March due to better crop production outlook in major wheat producing countries like India, US, Ukraine and Russia. Ukraine is expecting wheat production around 21 million tonnes and Russia's wheat crop is anticipated around 46-48 million tonnes as weather has improved considerably. Pakistan wheat crop is seen at 26.2 million tonnes by analyst and traders as they expect better yield.

CBOT Wheat May 13 contract tested twice USD 270.00/T level, however the quarterly report reversed the bullish sentiments into bearish and USD 18/T fell in a day.

Global FOB's fell as Middle East and North African countries like Morocco and Egypt are expecting better domestic crop and major South East Asian buyers are waiting for Indian new wheat crop exports to hit market.

As per latest International Grain Council (IGC) report 2012-13 production remains unchanged from previous estimate of 656 million tonnes. Trade has been increased by 1 million tonne to 138 million tonnes from previous estimate due to recent fall in wheat prices across the globe. Carryover stocks have been increased to 177 million tonnes by 1 million tonnes but it is still 20 million tonnes lower year on year basis.

IGC Wheat Balance Sheet

(Quantity in MMT)

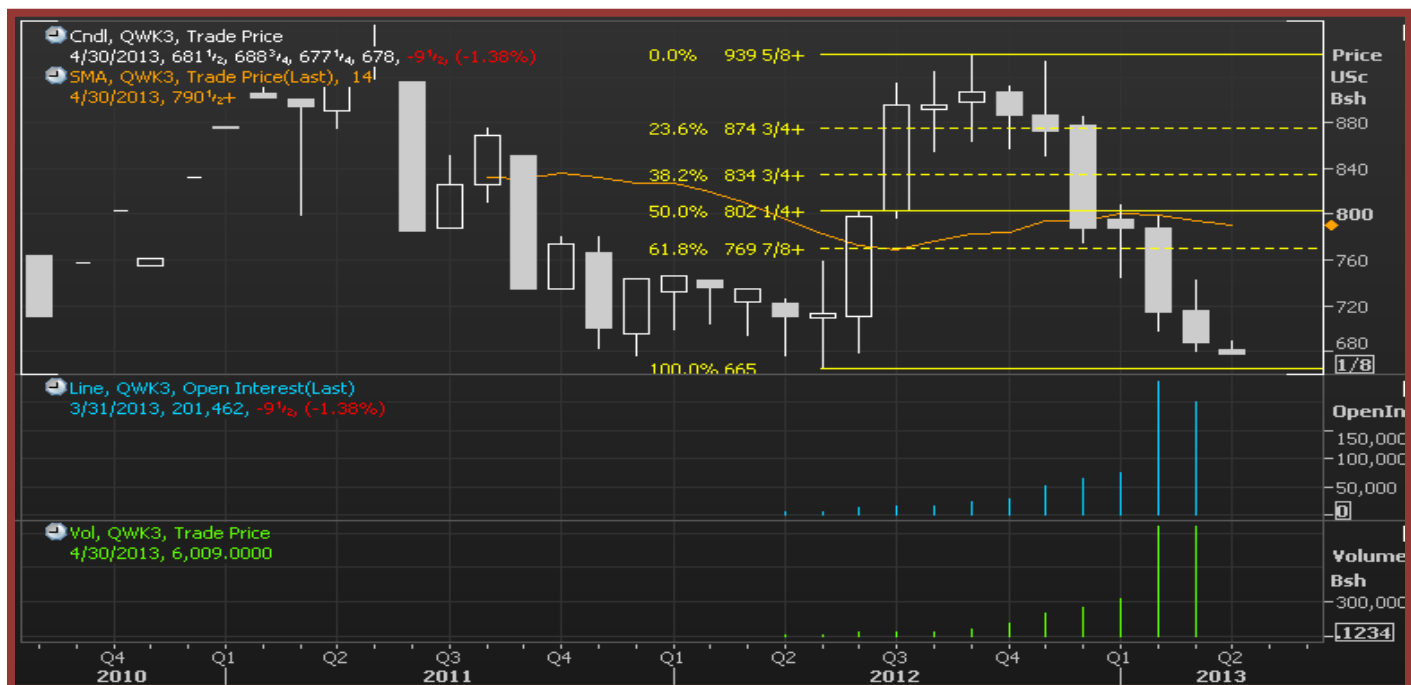
	2007-08	2008-09	2009-10	2010-11	2011-12 estimated	Projection for 2012-13	
						21.02.2013	21.03.2013
Production	607	685	679	653	696	656	656
Trade	110	137	128	126	145	137	138
Consumptions	603	645	652	659	692	677	676
Carryover stocks	132	173	199	193	197	176	177
Y-O-Y change	5	41	27	-6	4	-21	-20
Major Exporters	47	69	79	74	71	50	51

IGC Balance Sheet Highlight

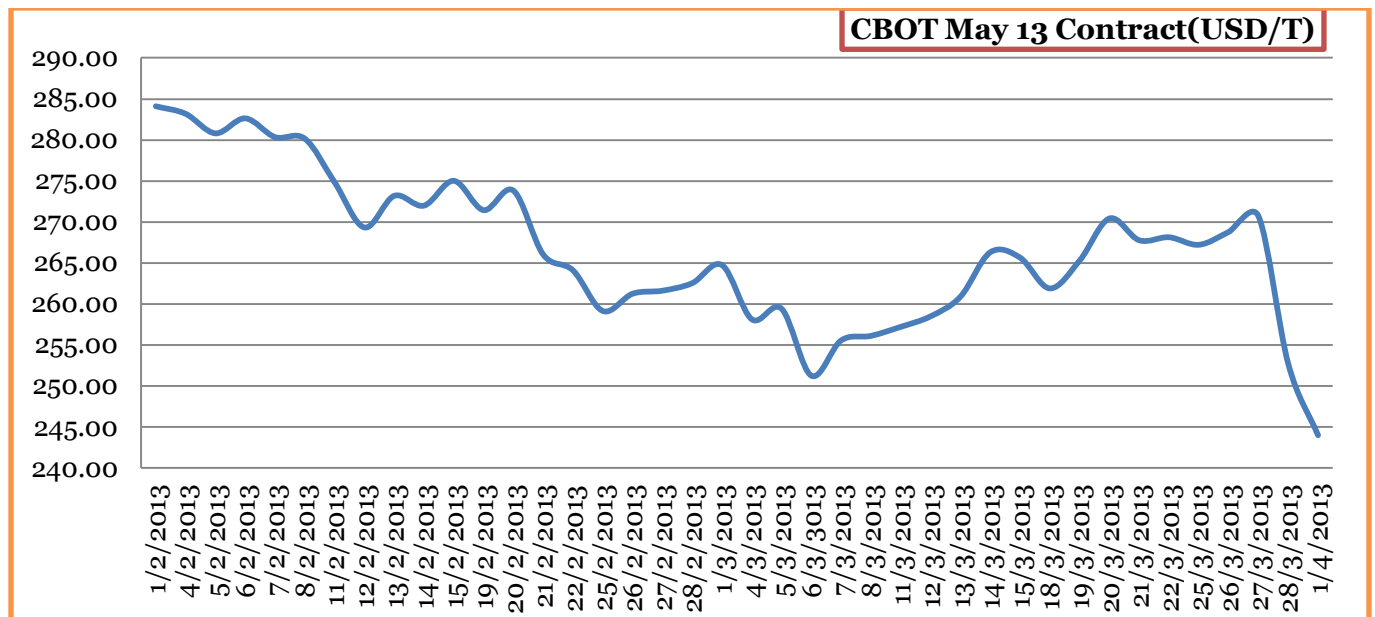
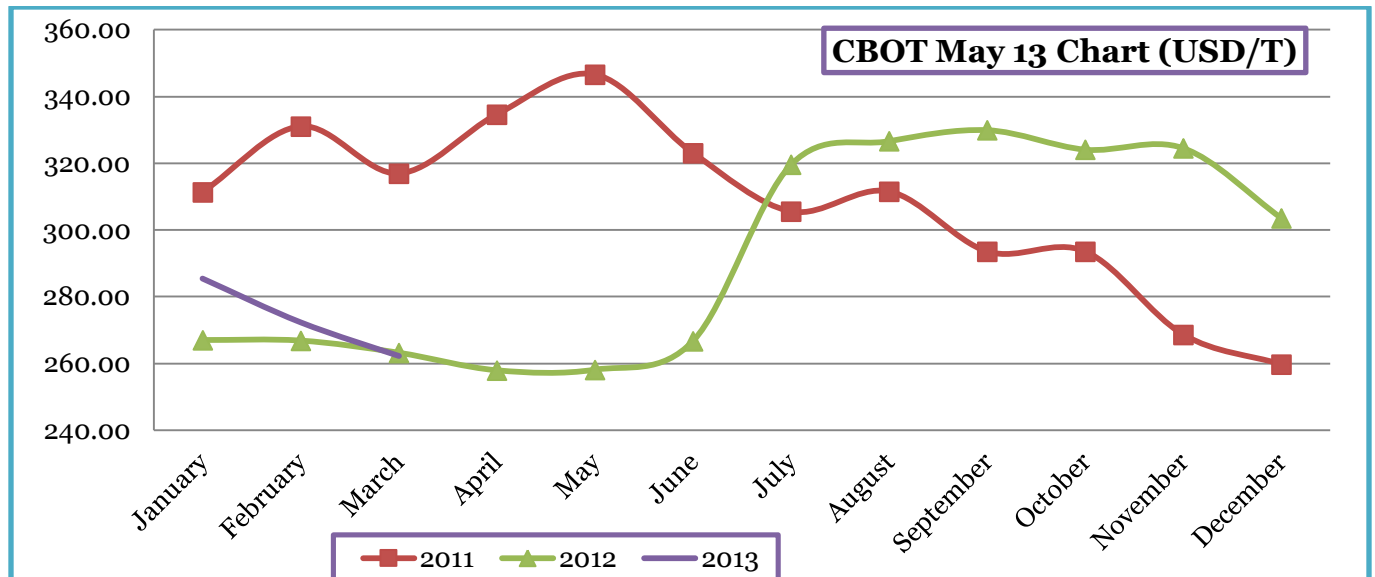
- Production remains unchanged from previous estimate but consumption is expected to rise by a million tonne.
- The IGC GOI wheat sub-Index is down by 2% month on month basis, weighed by improving prospects for 2013-14 output, particularly following precipitation in previously dry winter wheat areas in the US.
- For 2013-14, the harvested area is put at a four-year high, and a recovery in average yields should boost production by 4% year on year.
- Some increase in major exporters' stocks is likely, but the global 2013-14 carryover is expected to rise by a modest 3 million tonnes; world trade is seen unchanged year on year at 138 million tonnes.

USDA Global Wheat Balance Sheet Fig.in MMT							
Country	Opening stock 2012-13	Production projected 12-13	Domestic consumption (2012-13)	Import 12-13	Export 12-13	Ending stock 12-13	Production last year
USA	20.21	61.75	38.10	3.53	27.89	19.49	54.41
Canada	5.87	27.2	9.35	0.47	18.5	5.74	25.28
Australia	6.97	22	6.84	0.12	16.5	5.75	29.92
Argentina	.762	11	6	.005	5	.76	15.5
Russia	10.89	37.71	34	1.5	10.5	5.61	56.24
China	55.94	120.6	123	3.2	1	55.74	117.40
EU	12.27	132.25	121.5	6	19.5	9.52	137.22
Ukraine	5.36	15.76	12	0.1	6.5	2.72	22.32
Pakistan	4.25	23.3	23.2	0.2	1	3.55	25.00
India	19.95	94.88	84.54	.01	6.5	23.80	86.87
Others	53.95	109.01	222.92	125.68	20.19	45.53	126.82
World total	196.47	655.47	681.46	140.82	133.06	178.22	697.01

CBOT May 13 Future Chart:



- CBOT Wheat May chart revels downtrend and prices will test the lowest level of USD 6.65/Bushel(USD 244.32/T) and prices are likely to resist firstly at USD 7.2/Bushel(USD 264.53/T) and if prices breaches 1st resistance then second resistance is at USD 7.7/Bushel (USD 282.90/T).



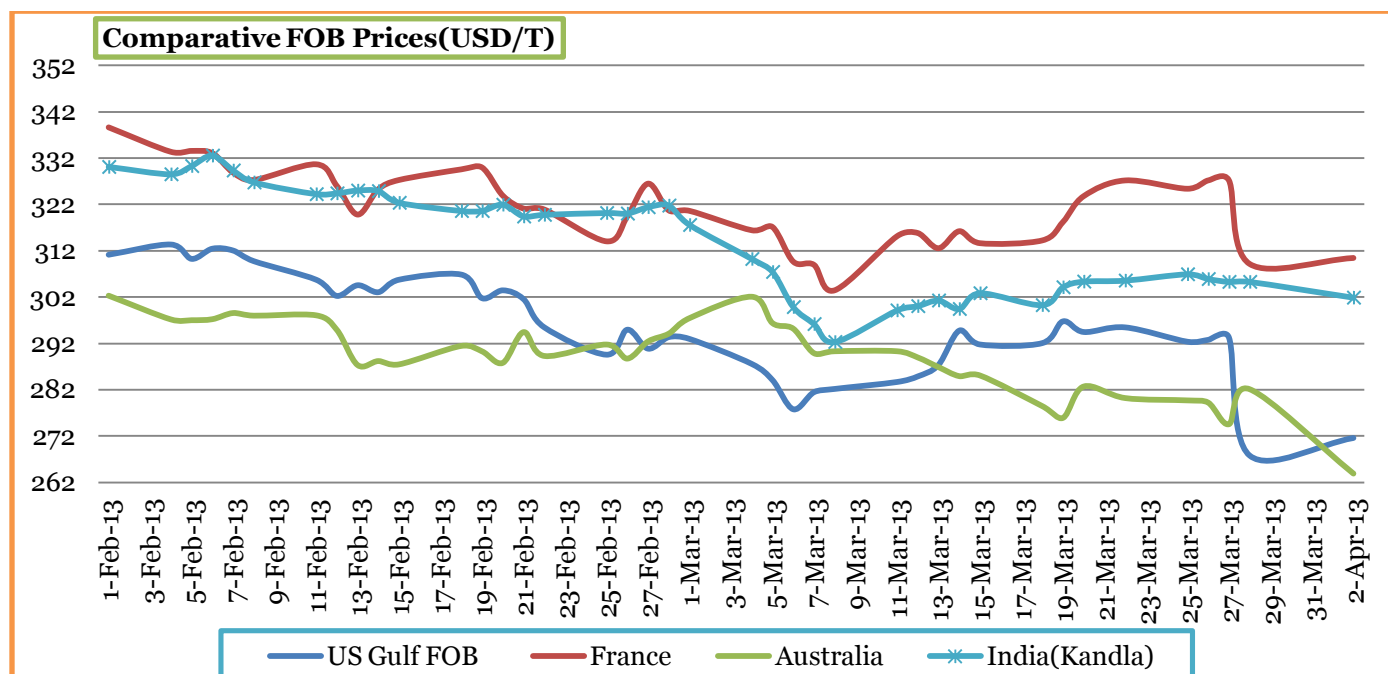
CBOT May 2013 contract rebounded in Month of March for first 15 days due to expected better performance of US exports but the quarterly stock report turned uptrend into downtrend as Wheat stocks are 3% more at the same time than last year's stock.

CBOT comparison over period of time:

CBOT Futures Prices: Date: 01.04.12(USD/T)							
CONTRACT MONTH	01 Apr 2013	Week ago (25 Mar 13)	1 Month ago(1 Mar 13)	3 Month ago(2 Jan 13)	6 Month ago(1 Oct)	1 Year ago(2 Apr 12)	% Change over previous year
Mar-13	243.95	267.19	264.71	281.43	328.82	267.93	-8.95
May-13	245.79	267.83	265.35	284.00	313.67	268.20	-8.36
July-13	249.19	270.22	268.11	289.24	314.59	271.88	-8.34
Sept-13	254.52	274.63	272.79	294.38	317.98	277.75	-8.37
Dec-13	259.84	279.13	277.39	298.79	320.28	279.50	-7.03
Mar-14	261.77	279.13	277.48	298.70	313.48	281.89	-7.14

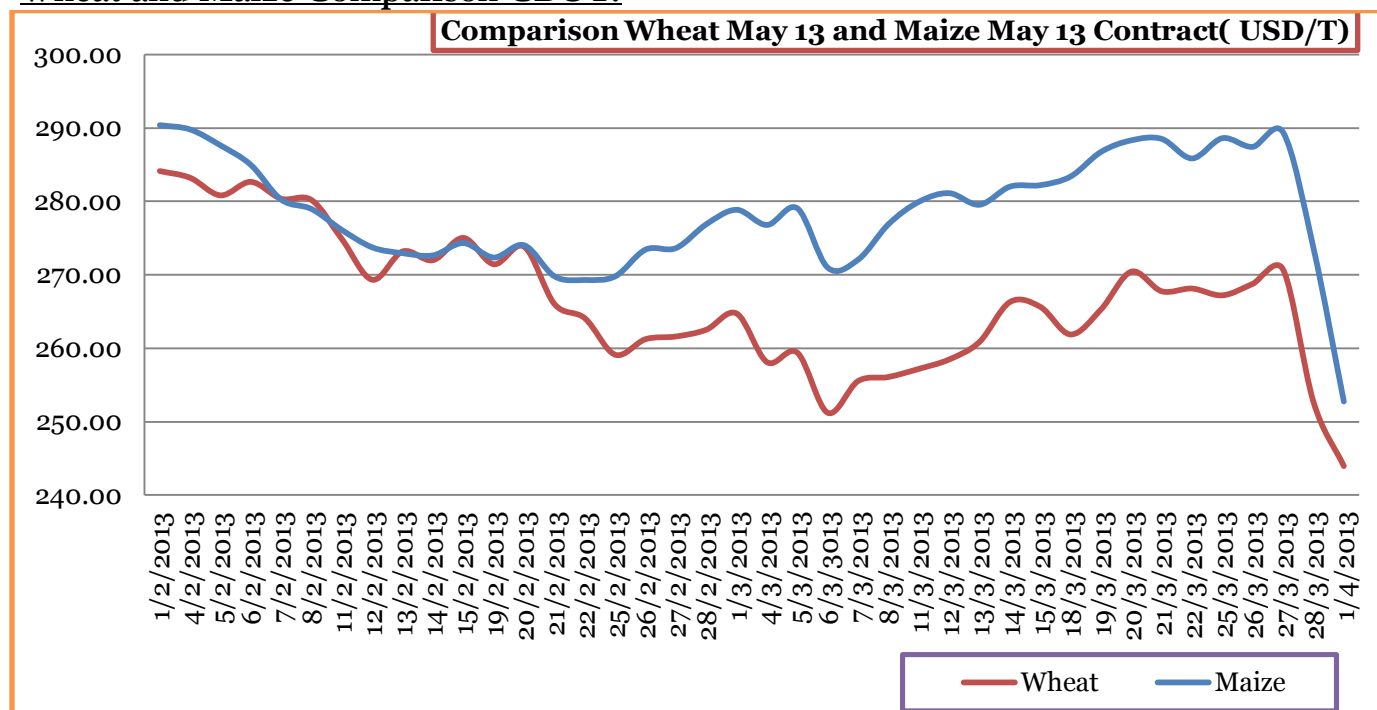
Comparative Month on Month FOB quotes: (Fig in \$ /MT)

All prices are for SRW /milling grade, comparable to Indian quality	1 st Jan 2013	1 st Feb 2013	1 st Mar 13	1 st Apr 13
USA	312.70	311.20	293.00	271.16
France	322.90	338.70	320.60	310.40
United Kingdom	329.70	337.10	309.60	299.90
Australia	318.32	302.27	294.08	263.91
Russia	NA	NA	NA	270.00
India	327.33	330.08	317.55	301.58



Domestic and International FOB have been in downtrend during the last month as International buying has been weak as compared to same period last year and expectations are that key importers from Middle East and North Africa like Morocco and Egypt may lower their imports this season owing to better domestic production. Indian presence in international market with bumper crop once again and improved crop condition in Black Sea region too will drag FOB towards south.

Wheat and Maize Comparison CBOT:



Demand for wheat has been high in international market as Corn prices too, were ruling higher however after US quarterly stocks report and highest US corn planting since 1973 has pressurized the market. Wheat feed demand is expected to fall as corn prices are expected to fall.

International Outlook: International Spot and Futures Market is expected to trade weak in month ahead as US, Ukraine and Russia wheat crop is expected to improve and Indian new wheat crop is likely to hit international market by Mid- April, which will further pressurize international market. Lower buying is expected from North African and Middle Eastern nations as their domestic crop is good.

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