

Executive Summary

Mixed sentiments were reported in the month of April. Prices have fallen in Delhi, U.P, Punjab and Haryana as arrivals increased. Private traders, exporters and South Indian Millers are buying wheat from U.P due to parity. Wheat is expensive in Gujarat due to lower production, in Madhya Pradesh as local government is giving bonus over MSP. Prices are likely to trade steady to firm in Month ahead as Traders, Exporters and Millers may purchase more due to uncertain domestic and international scenario.

Government wheat procurement target are unlikely to be met as traders and exporters are active. As per reports around 20 million tonnes has been procured by the end of April. Traders see procurement around 33-34 million tonnes as crop is expected to be lower than earlier expected and farmers are hoarding 30% stocks in anticipation of higher prices, as reported.

India exported 6.27 lakh tonnes wheat in month under review, South Korea emerged as highest importer followed by Djibouti and Indonesia. Exports may decline in months ahead as Black Sea region crop is around the corner.

International Markets traded firm on concern over US and Australian Wheat crop. US wheat condition is poor as compared to previous year. As per USD reports only 14% planted wheat headed against 55% last year. Conditions are dry for wheat planting in Australia.

Domestic Market Dynamics:

Domestic cash wheat market witnessed mixed sentiments during the April. Traders, Exporters and Millers are procuring and building stocks. Private millers are active in Haryana and Punjab and procuring at a faster pace than last year because mill delivered prices are around Rs 1480-1500/Q in Punjab and Haryana, but if Wheat is purchased from U.P basic cost is Rs 1330/Q plus all taxes@ 8%, Gunny bags and Transportation (Extra) total cost comes around Rs 1580-1600/Q on Mill delivered basis. Farmers will be releasing lesser wheat stocks as they anticipate increase in prices.

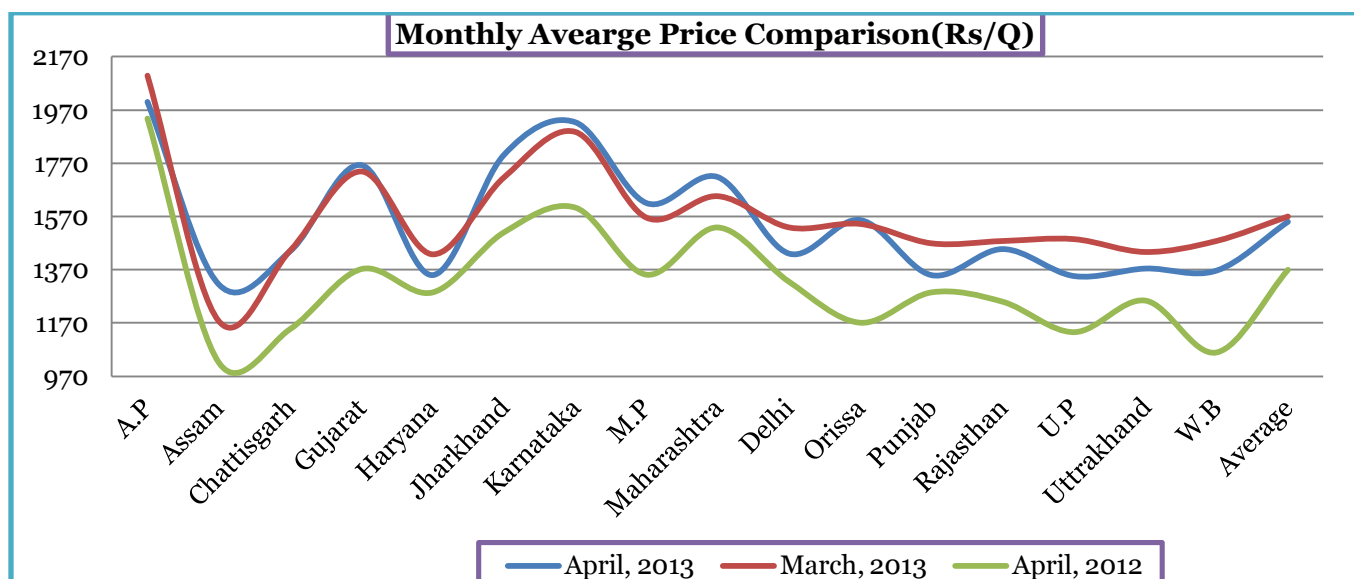
India's Wheat Balance Sheet:

	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	88.2
Imports	0.15	0	0	0
Total Availability	94.37	102.93	115.73	114.23
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	20.23
Av Monthly Consumption	6.51	6.75	7.00	7.08
Stock to Month Use	2.48	3.10	3.82	2.86
Stock to Consumption Ratio	0.21	0.26	0.32	0.24

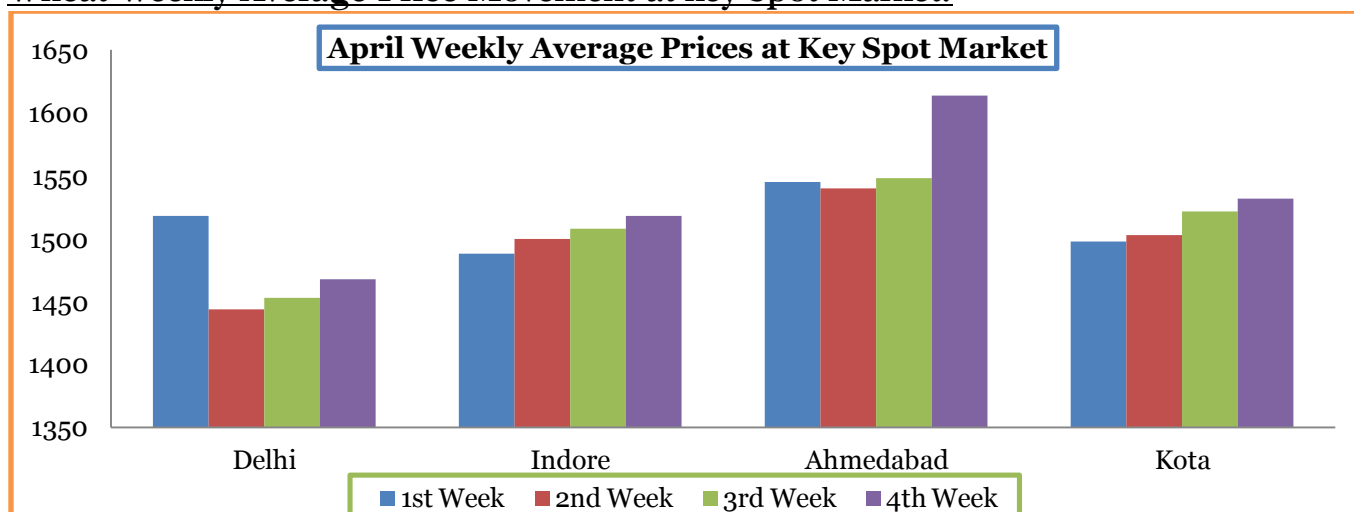
Balance Sheet highlights:

- Agriwatch expects 88.20 MMT wheat productions this year which is lower than last year. Lower production estimate is based on slightly lower acreage and lower yield in major producing states like Punjab, Haryana, Rajasthan and U.P.
- Previous season ended up with around 5.7 million tonnes wheat export and we expect around 9 million T export in the new season starting from 1st of April 2013. However, export quantity will depend mainly on global price and Indian govt.'s policy over export price.
- Higher consumption including export and lower production may drag carry out to 20.23 million T. Due to higher carry in supply side will remain comfortable throughout the year.

Monthly Average Price Comparison:



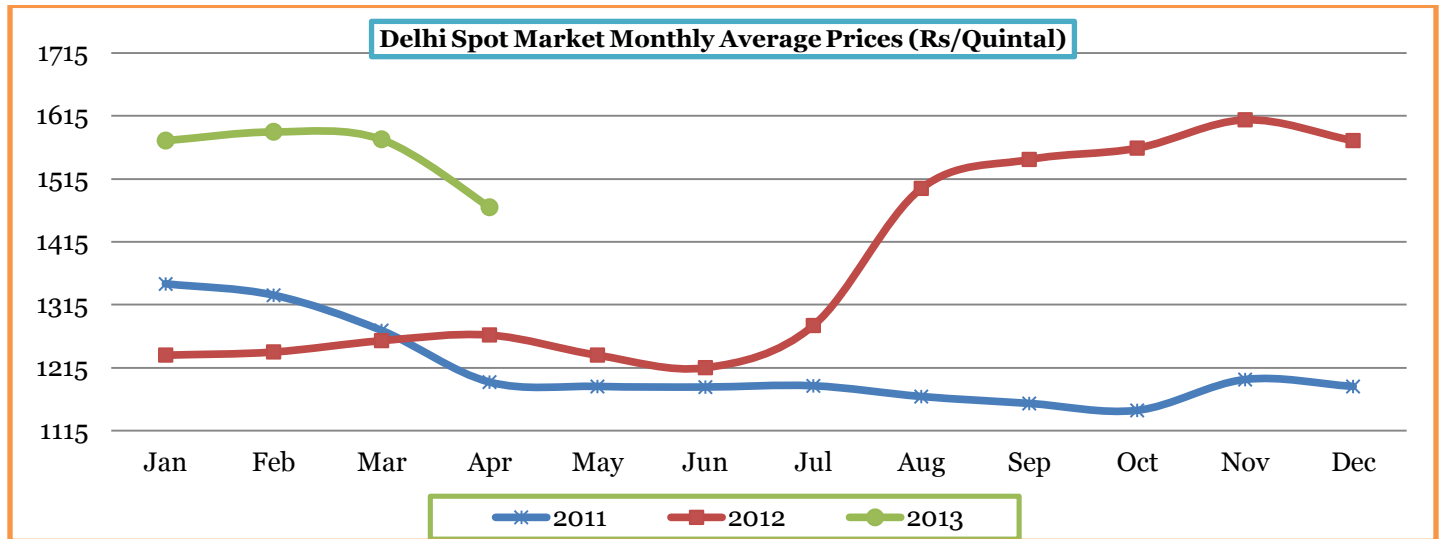
Wheat Weekly Average Price Movement at key Spot Market:



Total allotment and off take for Bulk Wheat Traders under OMSS (D)

Allotment and Lifting by Bulk Traders under OMSS(D) in 2012-13 and 2011-12				
	Total Allotment during 2012-13	Total Off take During the Year	Total Allotment during 2011-12	Total Off take during 2011-12
BIHAR	198387.56	12672.86	7166.13	0
JHARKHAND	134315.45	2130.43	5406.03	0
ORISSA	200136.31	80006.12	50954.23	2350.01
WEST BENGAL	365056.47	186380.33	51153.21	1619.83
SIKKIM	25000	0	45	0
ASSAM	152133.54	112141.99	49966.24	7007.91
ARUNACHAL	26241.04	0	0	0
TRIPURA	25000	0	0	0
MANIPUR	25000	0	0	0
NAGALAND	25000	0	0	0
MIZORAM	25000	0	0	0
MEGHALAYA	25000	0	0	0
DELHI	748698.78	621347.27	185854.82	136445.01
HARYANA	621337.7	513625	73935.78	55060
HIMACHAL PR	48310.1	6150	2116.13	0
J & K	337802.06	222863.11	201190.64	180788.93
PUNJAB	444435.26	327861.68	130085.21	76751
CHANDIGARH	157139.86	21788	32970.73	13700
RAJASTHAN	370705.99	270707.96	22591.81	2680.01
UTTAR PR	1016807.84	861968.15	78371.78	3511.39
UTTRANCHAL	135482.55	35282.85	63940.84	500
ANDHRA PR	229619.38	108088.36	68084.75	10749.99
KERALA	244273.42	139203.66	82854.19	41349.55
KARNATAKA	437930.75	332684.66	237998.26	181590
TAMILNADU	411723.83	310482.25	104070.06	66052.78
PONDICHERRY	48618.26	8754	16211.11	9855
A&N ISLANDS	25000	0	0	0
LAKSHDWEAP	25000	0	0	0
GUJARAT	304603.33	212298.3	54711.19	50177
MAHARASHTRA	542468.2	428773.12	156199.24	118014.55
GOA	145297.05	43794.74	26543.68	16526
MADHYA PR.	1720722.86	1528122.26	23196.31	4405
CHHATTISGARH	152535.79	16764.67	5217.02	0
DAMAN & DIU	25000	0	0	0
D&N HAVELI	25000	0	0	0
GRAND TOTAL	9444783.38	6403891.77	1730834.39	979133.96

Wheat Average Monthly Prices movement during last three years



Wheat Technical NCDEX Monthly:



Support and Resistance				
S_2	S_1	PCP	R_1	R_2
1409	1444	1478	1506	1524

Production estimate for 2013-14 Wheat Crop:

According to feedback from Traders/farmers/analyst as of now, wheat crop is estimated around 88.20 million tonnes as compared to 94.8 million tonnes last year. However, lower acreage in Maharashtra, Rajasthan and considerable fall in yield in Haryana, Punjab, and Eastern U.P may reduce production to 88.2 million tonnes.

	2012-13		2013-14*	
	Area	Production	Area	Production
Assam	0.49	0.59	1.192	0.50
Bihar	22.91	48.23	2.084	48.31
Chhattisgarh	1.63	1.35	0.820	1.39
Gujarat	13.06	42	3.055	32.02
Haryana	25.22	128.62	4.335	108.89
Himachal Pradesh	3.58	6.02	1.665	5.98
Jammu and Kashmir	2.2	4.12	1.854	4.54
Jharkhand	1.71	3.48	2.015	3.30
Karnataka	2.04	1.98	0.961	2.18
Madhya Pradesh	49.75	106.8	2.039	108.09
Maharashtra	8.43	14.12	1.658	9.83
Punjab	35.2	173.58	4.438	156.00
Rajasthan	29.35	93.98	3.042	85.78
Uttar Pradesh	95.31	303.24	3.023	294.79
Uttrakhand	3.69	8.85	2.374	8.76
West Bengal	3.55	8.91	2.485	8.95
others	0.48	2.93	6.043	2.66
	298.60	948.8	3.174	881.98

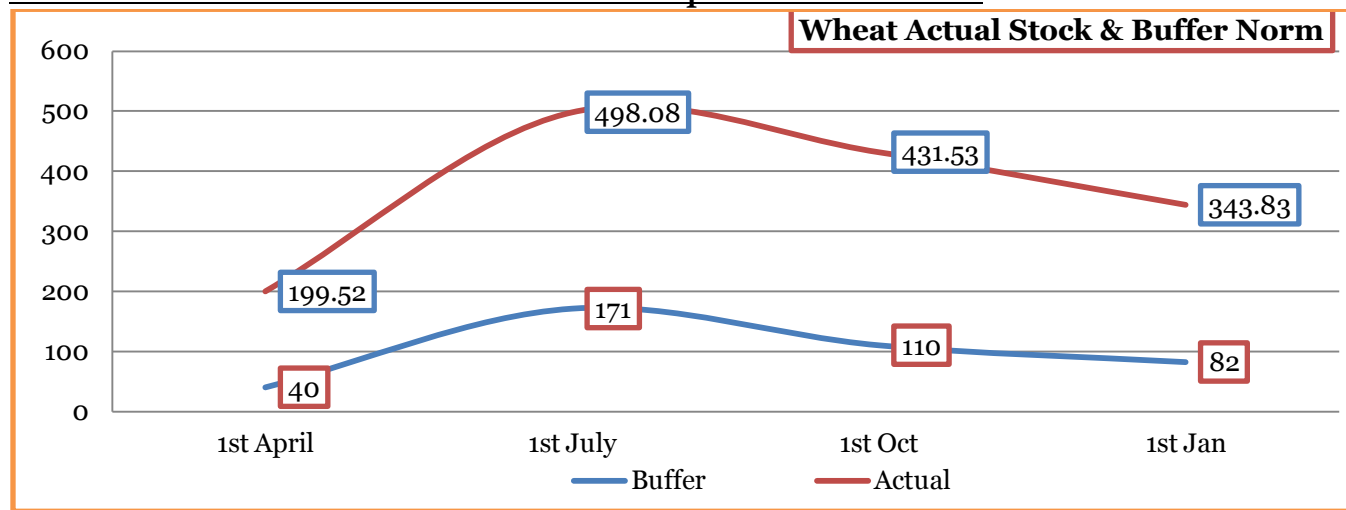
***Estimate**

Procurement: Target and Market Expectation:

State	Govt. Target 2013-14	Procurement last year	Likely % procurement of Last Year	Expected Procurement (lakh T)
Punjab	140	128.34	90%	115.51
Haryana	87.3	86.65	92%	77.99
M.P.	115	84.93	82%	76.44
Rajasthan	22	19.64	80%	17.68
Uttar Pradesh	60	50.63	85%	45.57
Bihar	10	7.72	95%	6.95
Gujarat	1	1.56	20%	1.40
Others	2	2.01	75%	1.81
Total	437.3	381.48		343.33

As we expect lower crop (88.2 million T), procurement target is unlikely to be met in MY 2013-14. Continuation of export farmers are retaining more marketable surplus stock of 30% against 20 to 25 percent year, procurement fig is bound to decline. However, lower procurement would not affect the supply through PDS/OMSS channels as govt is sitting on huge wheat stock pile.

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 Reservoir Level (FRL) of 154.42 billion cubic meters (BCM), which is about 73% of total reservoir capacity in country.
- Water stock in 84 major reservoirs decreased to 47.78 BCM from the previous week's level of 50.04 BCM. Current storage is less than the last year's position of 46.56 BCM and lower than the average of last 10 year's storage 40.07 BCM.
- There were 52 reservoirs having storage more than 80%, 11 reservoirs having storage between 50% to 80% Normal Storage, 4 reservoir having storage between 30% to 50% of Normal storage, 17 reservoir having storage 30% or below of Normal Storage and 6 reservoir like Kabini (Karnatka), Bhadar (Gujarat) and Bhima (Maharashtra) having no live storage.

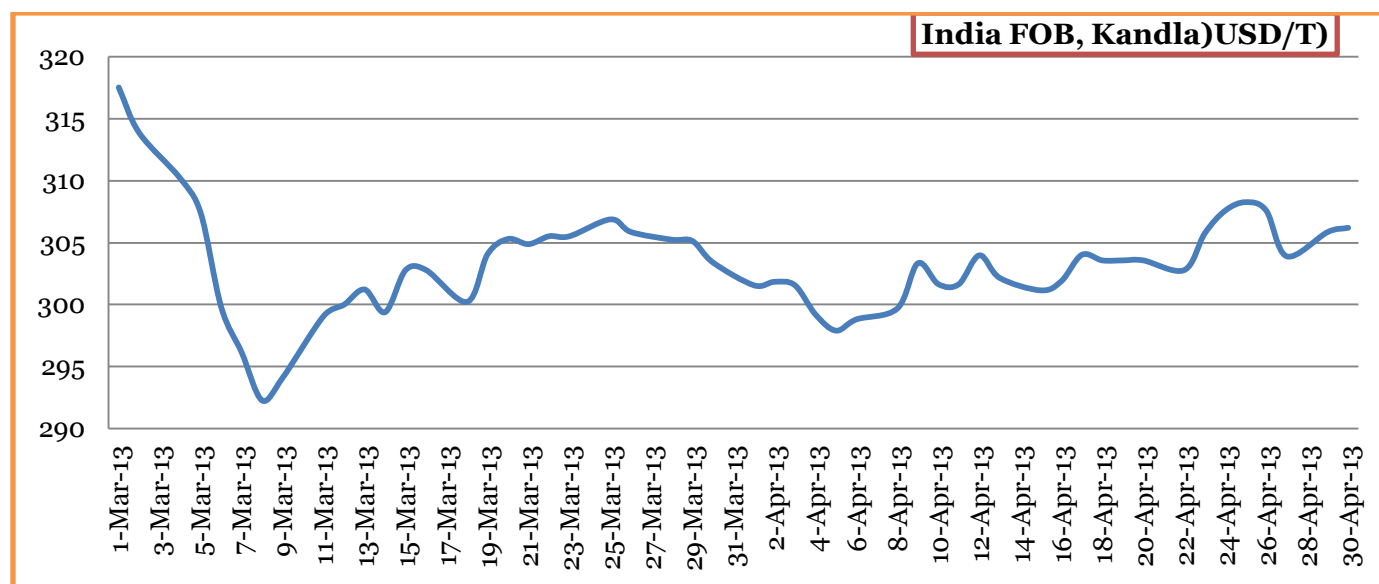
Table for 84 reservoirs of the Country in the month of February

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	31	103	117
Last Week	32	102	119
The percentage to live capacity at FRL was 30% on 11/04/2012, 35% on 11/04/2011, 24% on 08/04/2010 and 22% on 08/04/2010.			
* Live storage as % to Full Reservoir Level (FRL) of 154.42 Billion Cub. Mts.(BCM)			

Wheat Exports from India

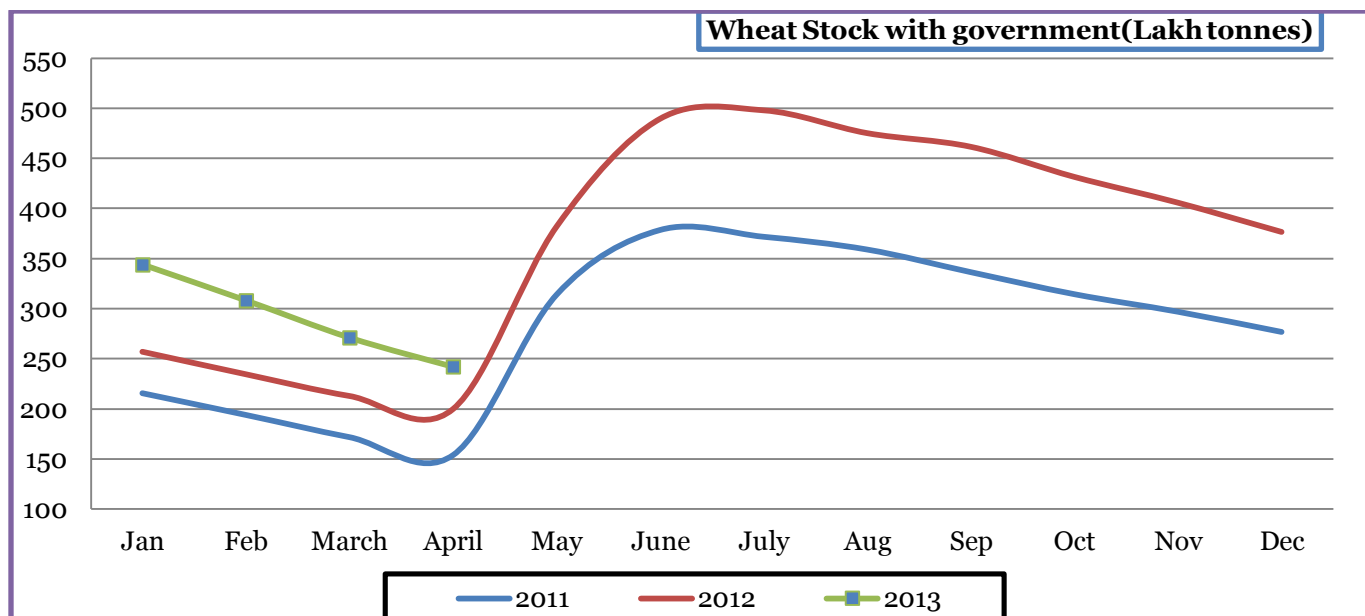
	Wheat Export(Lakh T)	Average FOB Kandla Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.68	232.12	237.46
Apr-12	1.18	236.89	235.13
May-12	2.57	252.15	236.73
Jun-12	3.45	256.64	245.82
Jul-12	3.35	296.12	318.27
Aug-12	4.53	310.07	328.89
Sep-12	5.75	314.48	326.52
Oct-12	5.87	312.11	317.84
Nov-12	5.53	320.19	317.04
Dec-12	6.42	326.70	299.60
Jan-13	5.63	325.04	282.26
Feb-13	5.88	324.11	270.06
Mar-13	6.82	303.64	262.31
Total for 2012-13	56.98	298.18	286.71
Apr- 13	6.27	303.06	256.85

In 2012-13, India exported around 5.7 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. In April India exported 6.27 Lakh Tonnes, South Korea, Djibouti and Indonesia were top 3 importers of Indian Wheat.



Indian FOB was firm during the month. We expect FOB in May to be in the range of USD 300-310/T. 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

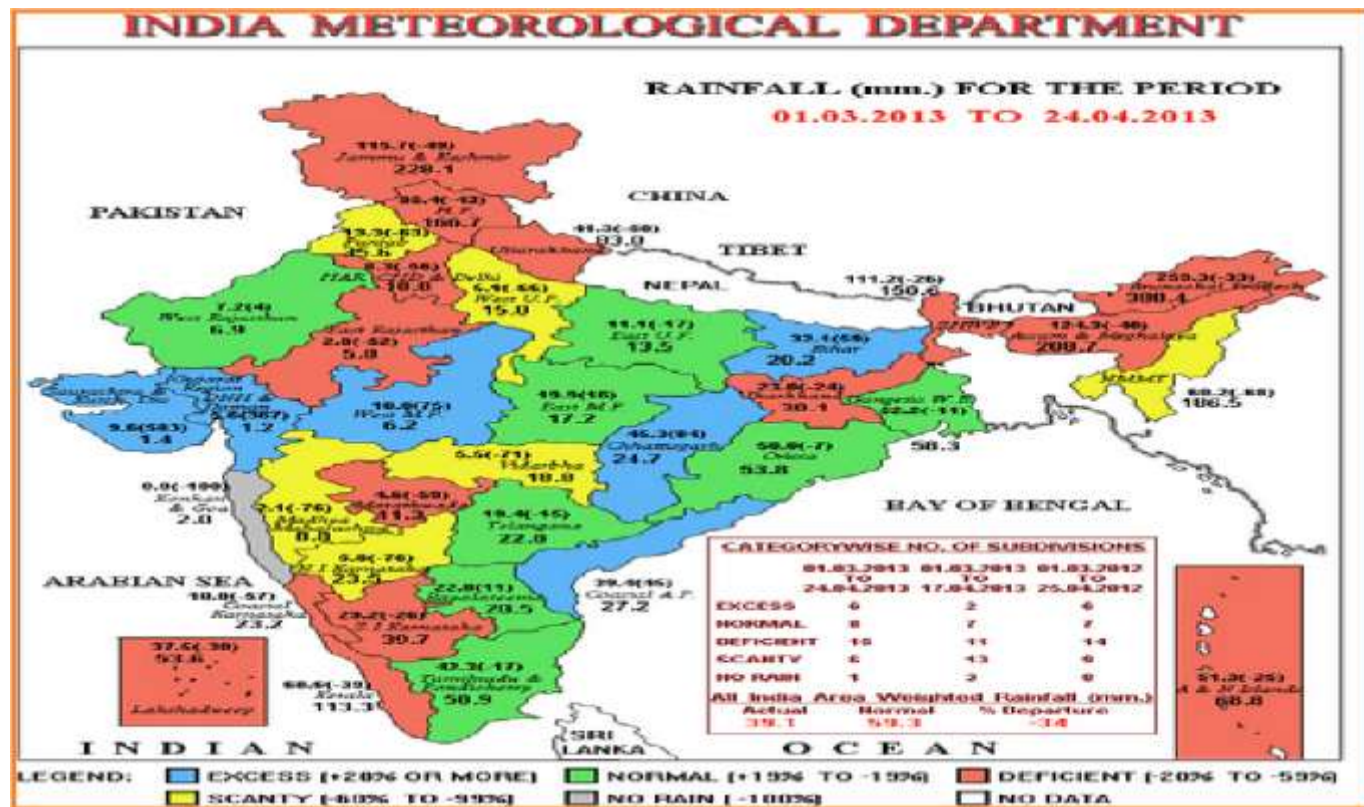


	Buffer Norms			Strategic Reserve		Grand Total
	Rice	Wheat	Total	Rice	Wheat	
1st April	122	40	162	20	30	212
1st July	98	171	269	20	30	319
1st October	52	110	162	20	30	212
1st January	118	82	200	20	30	250

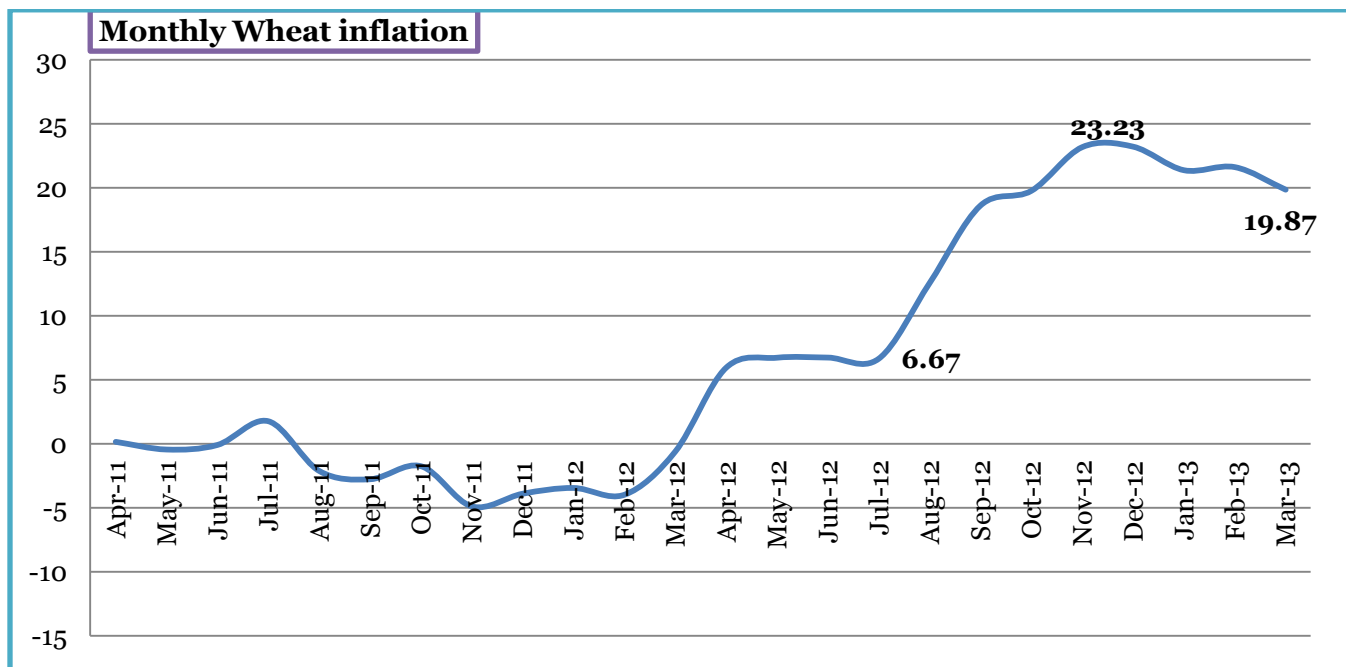
Forecast for the 2013 South-west monsoon rainfall

Southwest monsoon seasonal rainfall for the country as a whole is most likely to be Normal (96-104% of Long Period Average (LPA)) with the highest probability of 46%. The probability (27%) of seasonal rainfall to be below normal (90-96% of LPA) is also higher than its climatologically value. However, the probability for the seasonal rainfall to be deficient (below 90% of LPA) or excess (above 110% of LPA) is relatively low (10% and 3% respectively).

Quantitatively, the monsoon seasonal rainfall is likely to be 98% of the LPA with a model error of $\pm 5\%$. The LPA of the season rainfall over the country as a whole for the period 1951-2000 is 89 cm. Source: IMD



Wheat Inflation



Monthly Average Prices at Various Spot Market					
	Delhi	Indore	Kota	Rajkot	Chennai
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
April 2013	1469.80	1503.33	1515.62	1549.58	1776.25

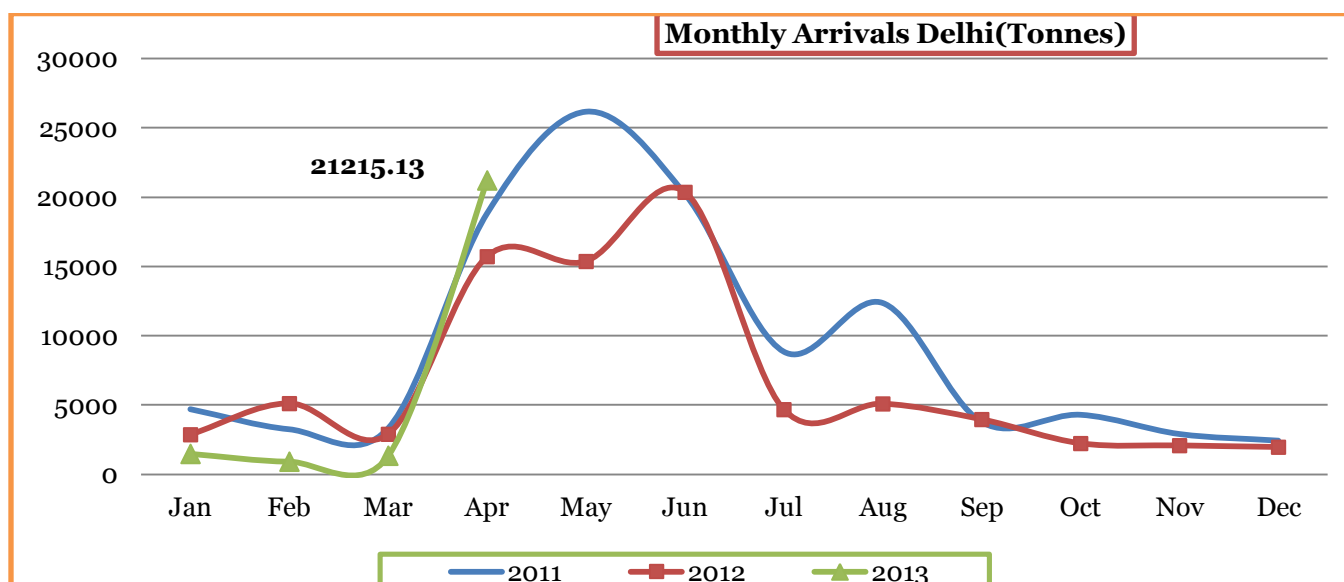
Inflation fell to 19.87% in March 2013 from 21.63% in February and WPI for March 2013 was 206.3 as compared to previous month's 206.9, Monthly Average prices have fallen in Kota, Rajkot and Chennai due to new crop arrival pressure and inflation is expected to fall further owing to new crop.

Monthly Price Comparison of Spot Markets:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			1/4/2013	1/5/2013	
Delhi					
	Lawrence Road	Mill Delivery	1560	1460	-100
	Nazafgarh	Mill Quality Loose	1500	1435	-65
	Narella	Mill Quality Loose	1525	1425	-100
Gujarat	Rajkot	Mill Delivery	1625	1565	-60
	Ahmedabad	Mill Delivery	1580	1615	35
	Surat	Mill Delivery	1600	1625	25
M.P.	Bhopal	Lokwan	1600	1600	Unch
	Indore	Mill Delivery	1485	1520	35
Rajasthan	Kota	Mill Quality	1400	1440	40
	Kota	Mill Delivery	1500	1550	50
U.P.	Kanpur	Mill Delivery	1475	1450	-25
	Mathura	Mill Quality Loose	1430	1350	-80
	Kosi	Mill Delivery	1600	1520	-80

Punjab	Khanna	Mill Quality Loose	1450	1370	-80
	Jagraon	Mill Delivery	1530	1480	-50
Haryana	Sirsa	Mill Delivery loose	1465	1350	-115
	Hodal	Mill Delivery	1525	1480	-45
Tamil Nadu	Chennai	Mill Quality	1750	1835	85
	Madurai	Mill Quality	1800	1885	85
	Coimbatore	Mill Quality	1800	1885	85
Chattisgarh	Raipur	Mill Quality	1550	1525	-25
Bihar	Begusarai	Mill Quality	1475	1365	-110

Monthly Arrivals at Delhi (Narela and Najafgrah)



Domestic Outlook: Spot and Future market are expected to trade range bound as increasing arrivals are pressurizing market but buying at lower levels and stocking of new crop by farmers will support market.

International Market Dynamics:

International Future and Spot market traded steady to firm in month under review due to apprehension about crop outlook in major wheat producing and exporting countries like US, Australia, 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 but severe cold is threatening final output. Pakistan wheat crop is seen round 25 million tonnes which is revised down from 26.2 million tonnes by analyst and traders.

CBOT Wheat July 13 traded firm in April breaching critical resistance of 23.6% but it is unlikely to sustain at that point and may test the critical support of USD 250/T in month ahead as Ukraine and Russia will supply larger quantities of new crop.

Global FOB's were firm as fresh buying pushed FOB up since importers were uncertain about production in major producing and exporting countries. However, FOB's are expected to fall in month ahead as North African nations like Morocco, Algeria and Tunisia expects better crop than previous year, hence reducing imports.

During the month a Flour Mill in Oman has bought around 35,000 MT of Milling Wheat possibly Russian origin, with 12.5% protein at USD 304/T, CNF to be shipped between 15 July and 15 August and Tunisia has bought 50,000 MT of soft wheat in two tenders of 25,000 MT each. First purchase was made at USD 325/T CNF, for shipment from 10-20 June and Second purchase was made at USD 330/T, CNF to be shipped between 1-10 June.

IGC Wheat Balance Sheet

(Quantity in MMT)

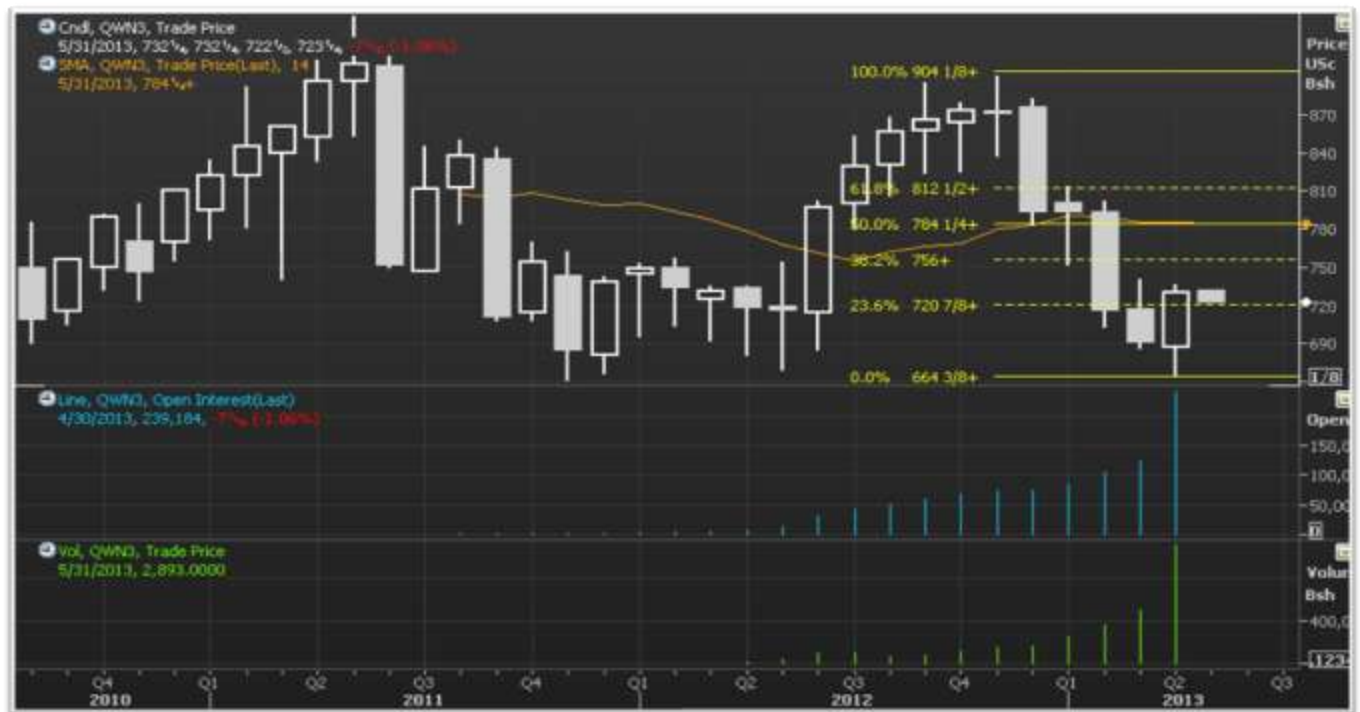
	2008-09	2009-10	2010-11	2011-12 est.	2012-13 forecast	Projection for 2013-14	
						21.03.2013	25.04.2013
Production	685	679	653	696	655	683	680
Trade	137	128	126	145	138	138	135
Consumptions	645	652	659	692	674	678	678
Carryover stocks	173	199	193	197	179	182	181
Y-O-Y change	41	27	-6	4	-18		2
Major Exporters	69	79	74	71	52	58	58

IGC Balance Sheet Highlight

- IGC has forecasted the world wheat ending stocks for 2013-14 at 181 million tonnes, which is 2 million tonnes more than 2012-13 due to lower feed wheat use.
- World wheat production is estimated at 680 million tonnes for 2013-14 which is higher than 2012-13 655 million tonnes since better yield and increased sown area is expected in Black sea region and European Union.
- World wheat trade is forecasted at 135 million tonnes by IGC which is 3 million tonnes lower year on year basis and global wheat consumption is expected to rise by 4 million tonnes year on year basis to 678 million tonnes.
- The IGC GOI wheat sub-Index is down 2% m/m, with less than ideal crop conditions supporting a partial recovery from the steep declines after the USDA crop reports at the end of March.

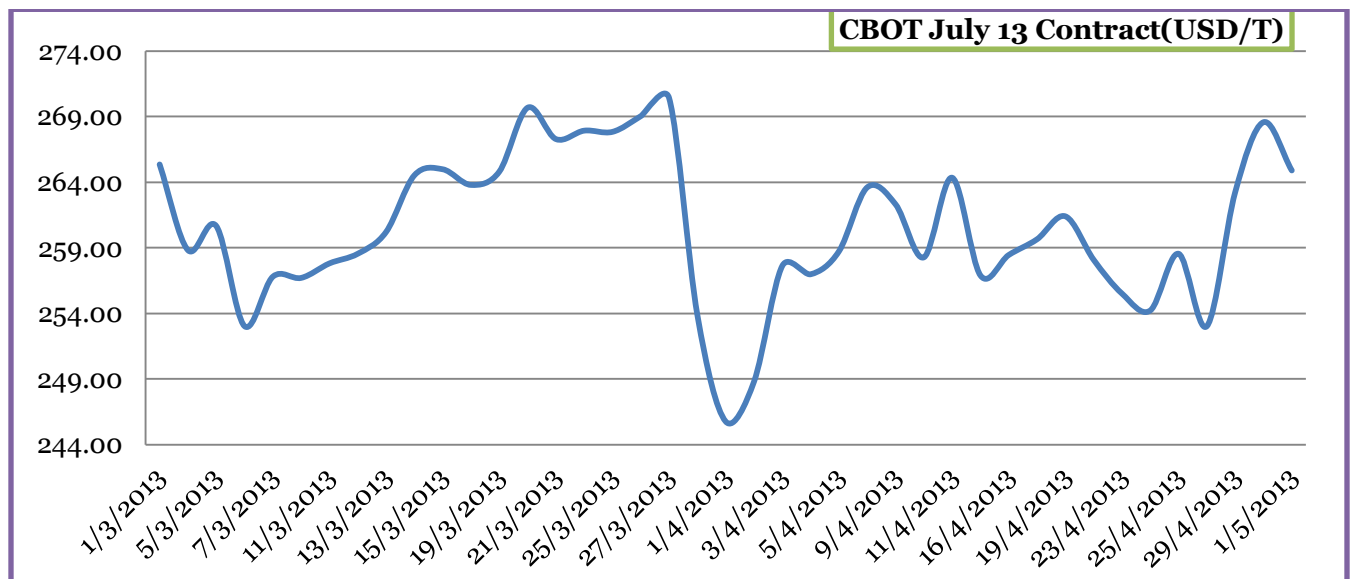
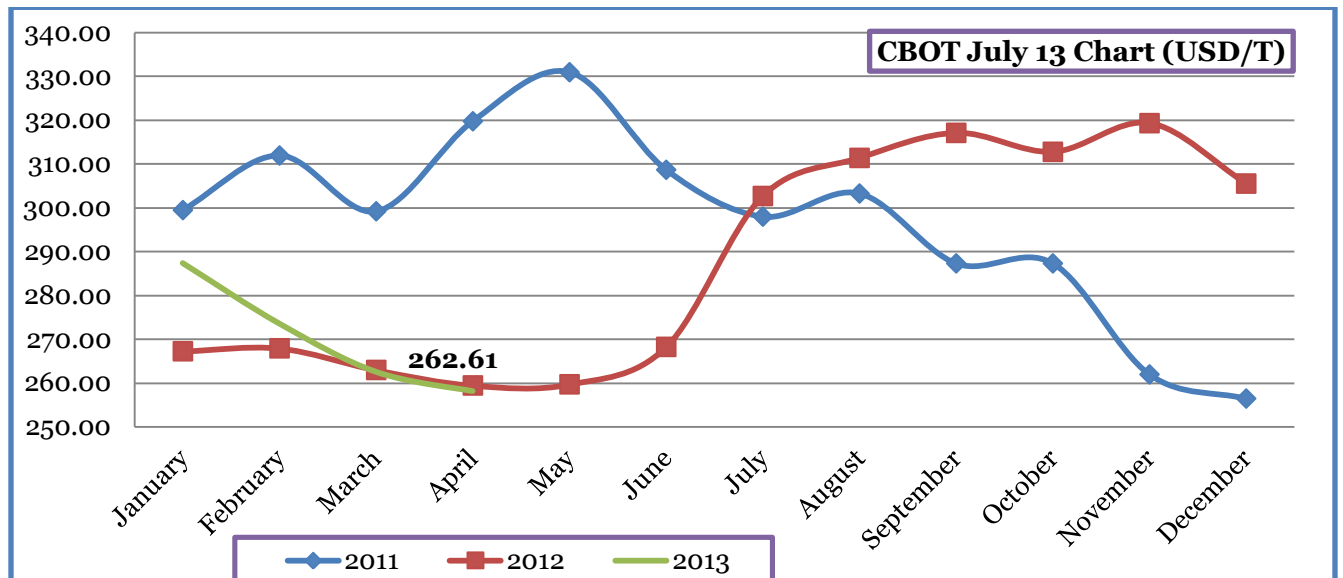
USDA Global Wheat Balance Sheet Fig.in MMT							
Country	Opening stock 2012-13	Production projected 12-13	Domestic consumption (2012-13)	Import 12-13	Export 12-13	Ending stock 12-13	Production last year
USA	20.21	61.75	37.72	3.53	27.89	19.49	54.41
Canada	5.87	27.2	9.35	0.47	18.5	5.74	25.28
Australia	6.97	22	6.84	0.12	17.5	4.75	29.92
Argentina	.762	11	6	.005	5	.76	15.5
Russia	10.89	37.71	33.5	1	10.7	5.41	56.24
China	55.94	120.6	120	3.2	1	58.74	117.40
EU	13.52	132.01	121	6	20.5	10.03	137.22
Ukraine	5.36	15.76	11.8	0.1	7	2.42	22.32
Pakistan	4.25	23.3	23.4	0.2	0.8	3.55	25.00
India	19.95	94.88	84.54	.01	6.5	23.80	86.87
Others	55.61	109.20	224.60	127.21	20.26	47.16	126.82
World total	199.38	655.42	678.76	141.86	135.56	182.15	696.94

CBOT July 13 Future Chart:



CBOT Wheat July chart reveals prices increased in April month. Future market may consolidate in month ahead and prices may test the level of USD 6.9/Bushel (USD 253.51/T) and prices are likely to resist USD 7.30/Bushel (USD 268.20/T) level.

CBOT July 2013 contract Monthly Average Comparison:



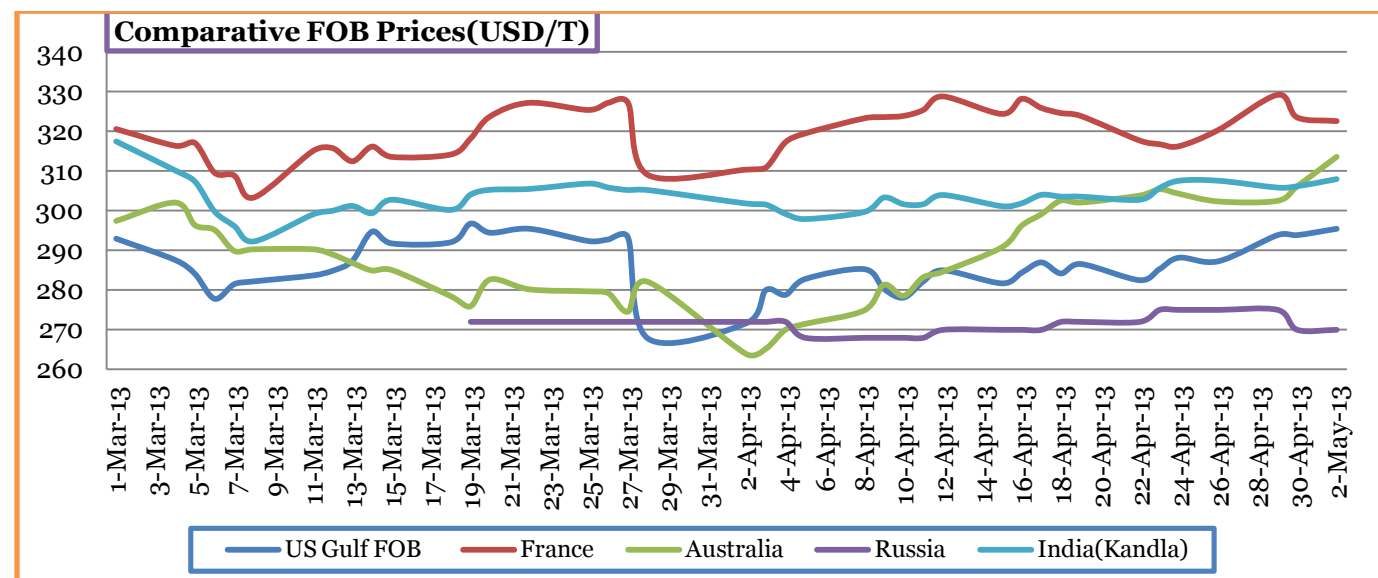
CBOT July 2013 contract traded firm during the month on worries about production in US and Australia. CBOT is likely to consolidate and trade range bound in times ahead. Once Russia and Ukraine make entry in international market with large quantities prices are likely to fall.

CBOT comparison over period of time:

CBOT Futures Prices: Date: 01.05.12(USD/T)							
CONTRACT MONTH	01 May 2013	Week ago (24 Apr 13)	1 Month ago(1 Apr 13)	3 Month ago(1 Feb 13)	6 Month ago(1 Nov 12)	1 Year ago(1 May 12)	% Change over previous year
Mar-13	261.04	254.15	243.95	284.09	327.08	261.22	-0.07
May-13	264.90	254.24	245.79	285.93	322.30	263.33	0.59
July-13	268.39	257.09	249.19	289.97	325.33	268.29	0.03
Sept-13	273.71	262.14	254.52	295.39	327.63	272.61	0.40
Dec-13	278.58	267.01	259.84	299.89	329.47	274.72	1.40
Mar-14	279.87	269.03	261.77	299.61	322.39	276.47	1.23

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

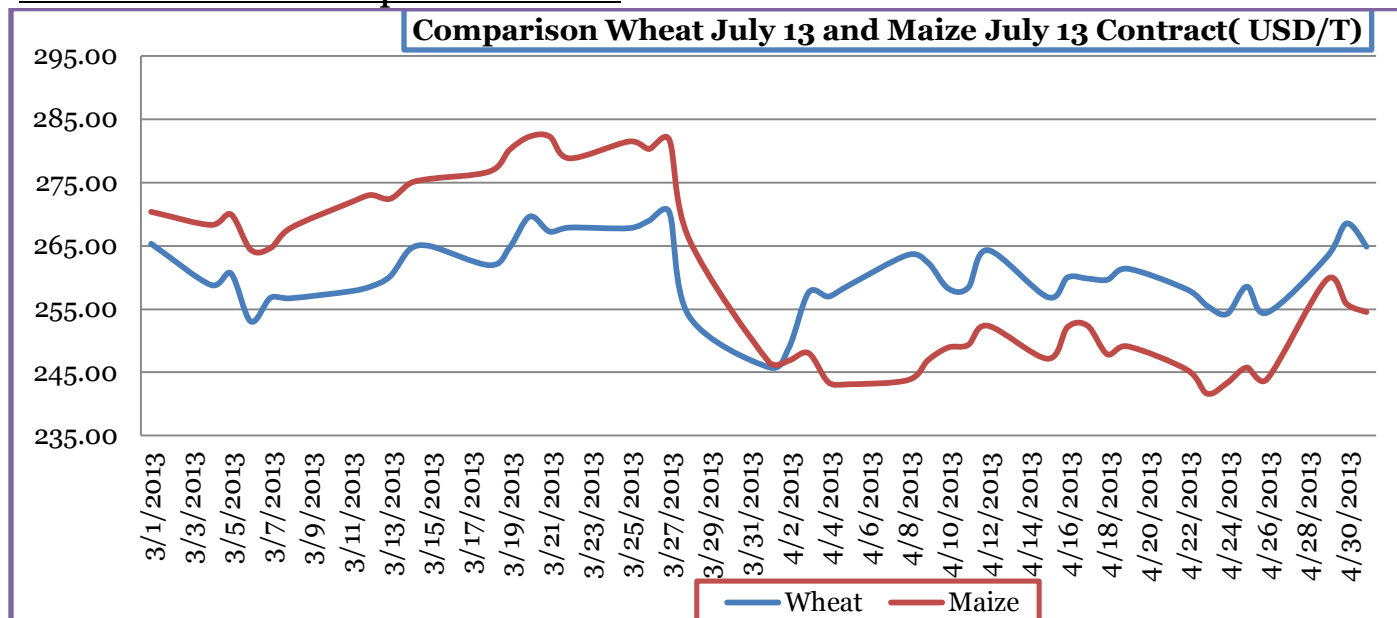
All prices are for SRW /milling grade, comparable to Indian quality	1 st Feb 2013	1 st Mar 13	1 st Apr 13	1 st May 2013
USA	311.20	293.00	271.16	295.50
France	338.70	320.60	310.40	322.60
United Kingdom	337.10	309.60	299.90	300.20
Australia	302.27	294.08	263.91	313.58
Russia	NA	NA	270.00	270.00
India	330.08	317.55	301.58	308.02



Domestic and International FOB traded firm last month as fresh International buying has been witnessed due to apprehensions about production in major exporting countries, however 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 Black Sea region crop round the corner may drag FOB south by the late end of May.

Wheat and Maize Comparison CBOT:



Maize prices may rise above wheat prices as corn planting has been drastically lagging behind and severe cold may result in farmers in abandoning maize plantation this year consequently resulting in higher feed wheat demand in month ahead.

International Outlook: International Spot and Futures Market is expected to trade range bound in month ahead as concern over crop situation in US and Australia will support market but Black Sea region presence will put bearish pressure.

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