

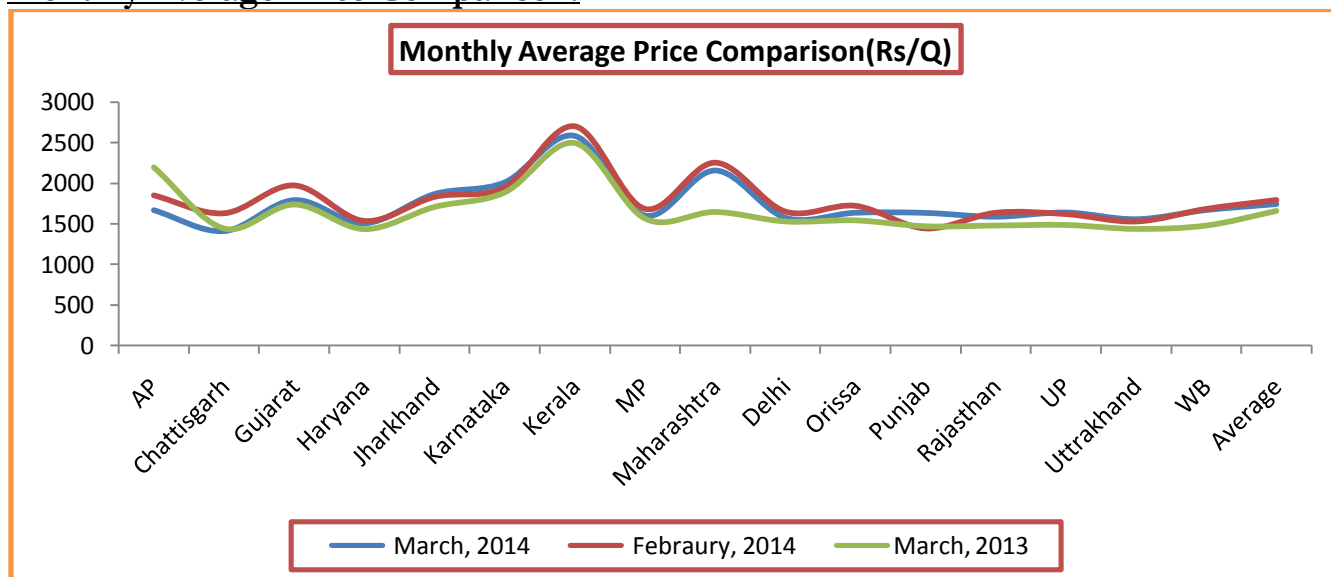
Executive Summary

Wheat cash market in India traded firm in the first half of the month under review due to crop loss in Madhya Pradesh, Rajasthan, Punjab and Haryana. However, harvesting in these states except Punjab gains momentum and prices of wheat has softened in the second half. More pressure on price may be seen with the commencement of harvesting (likely from the 4th week of April) in Punjab, Uttar Pradesh and Bihar.

Unexpected rains, accompanied by strong winds, in larger parts of Punjab and Haryana in the last week of March and the first day of April may affect quality of wheat. Standing crop has flattened and it may reduce yield. Wheat crop in districts like Ferozpur, Gurdaspur, Pathankot, Mohali, Tarn Taran in Punjab and Palwal, Yamunanagar in Haryana has flattened and more rains can adversely affect the yield and quality. Lodging has taken place in several wheat fields at different places in Punjab because of rain and strong winds," an official of Punjab Agriculture department said. Lodging refers to term used to describe crop falling flat on the ground due to heavy rain and winds which causes yield loss in crop. Rains at this stage could have negative impact on early sowed crop.

As per preliminary estimate wheat production is likely touch record level of 96.03 million tonne this year (2013-14) despite considerable loss of crop in parts of Madhya Pradesh and Rajasthan Punjab & Haryana. The main reason for higher production is attributed to higher area coverage. Despite loss (still under final assessment) availability would increase. However, quality of crop may be degraded in the affected region. Stronger INR, likely ban on wheat export from govt.'s stock would cut export quantity (around 20 to 25 percent collectively) of wheat considerably this year despite attractive price in global market. Shortage of premium quality wheat (from M.P., & Rajasthan) may encourage wheat prices earlier than expectation. If global wheat market stays steady, export through private channel would continue. However volume would decrease.

Monthly Average Price Comparison:



State wise average monthly wheat price is almost ruled lower from previous month as harvesting pick up in Gujarat, Madhya Pradesh and Rajasthan. Arrival pressure in these states

pressurize in the markets, however market is likely to move down further once harvesting will starts in Uttar Pradesh, Haryana and Punjab.

India's Wheat Balance Sheet:

in Thousand MT								Estimates		Estimates		Forecast		Forecast
			2010-11	2011-12	2012-13	2013-14		Apr -June		July -Sept		Oct -Dec		Jan -Mar
Opening Stock			16125	18935	24185	31100		31100		99318.699		78491.397		47745.796
<i>FCI opening stock</i>			16125	15364	19952	24207								
Production			80800	86810	94800	92460		92460		0		0		0
Stock Position														
<i>Procurement</i>								25092						
<i>Govt.</i>		<i>FCI figures</i>	22513	28334	38148	25092		49299		43677.417		38055.833		32434.25
<i>Private trade</i>		<i>Plug in figure</i>	30007	28092.5	23472	35007		41900		32274		24356		16332
<i>Farm</i>	35%		28280	30383.5	33180	32361	35%	32361		25888.8		19416.6		3236
Imports			218	272	17	0		0						
Total Supply			97143	106017	119002	123560		123560		99318.699		78491.397		47745.796
Consumption														
Exports			58	72	6496	6257		2522		815		920		2000
Domestic consumption														
<i>Govt releases</i>		from fci website	23067	24168	20224	22486		5622		5622		5622		5622
<i>Private trade</i>	5%		28506.65	26687.875	22298.4	28414		7104		7104		7104		7104
<i>Farm (seed plus releases)</i>	0%		28280	30383.5	33180	32361	20%	6472.2	20%	6472.2	50%	16180.5	10%	3236.1
Total Consumption			78150	81760	81406	89518		21719.301		20012.301		29825.601		17961.201
Closing Stock			18935	24185	31100	27784.59		99318.70		78491.40		47745.80		27784.59
								30-Jun-12		30-Sep-12		31-Dec-12		31-Mar-13
								As on		As on		As on		As on

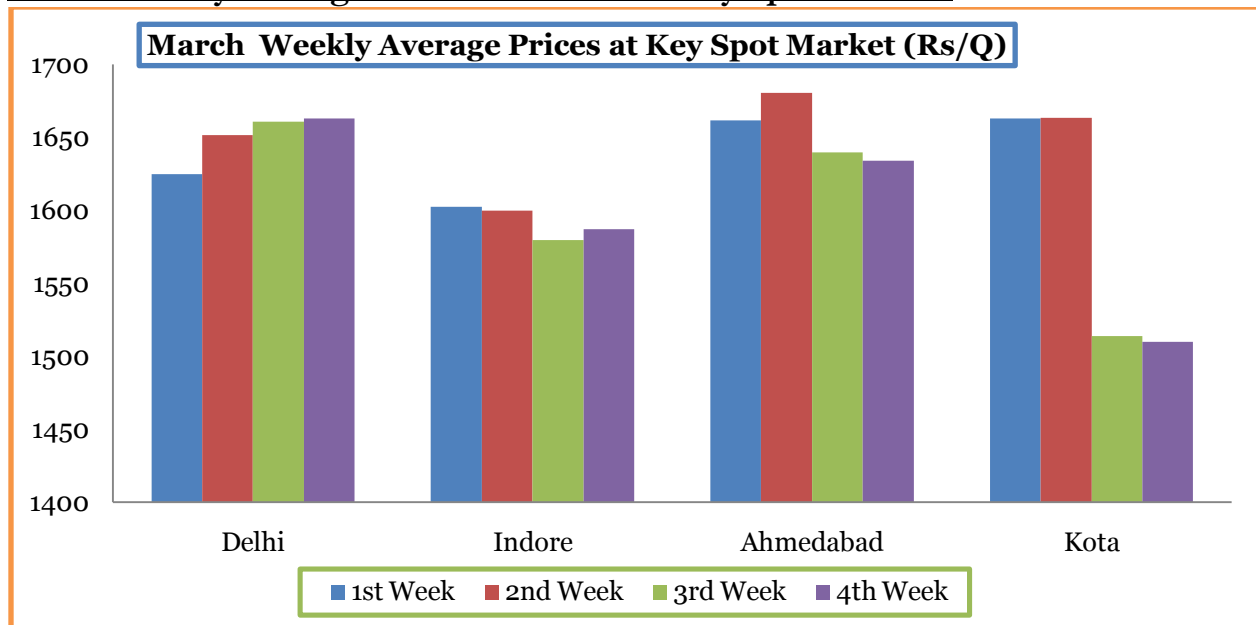
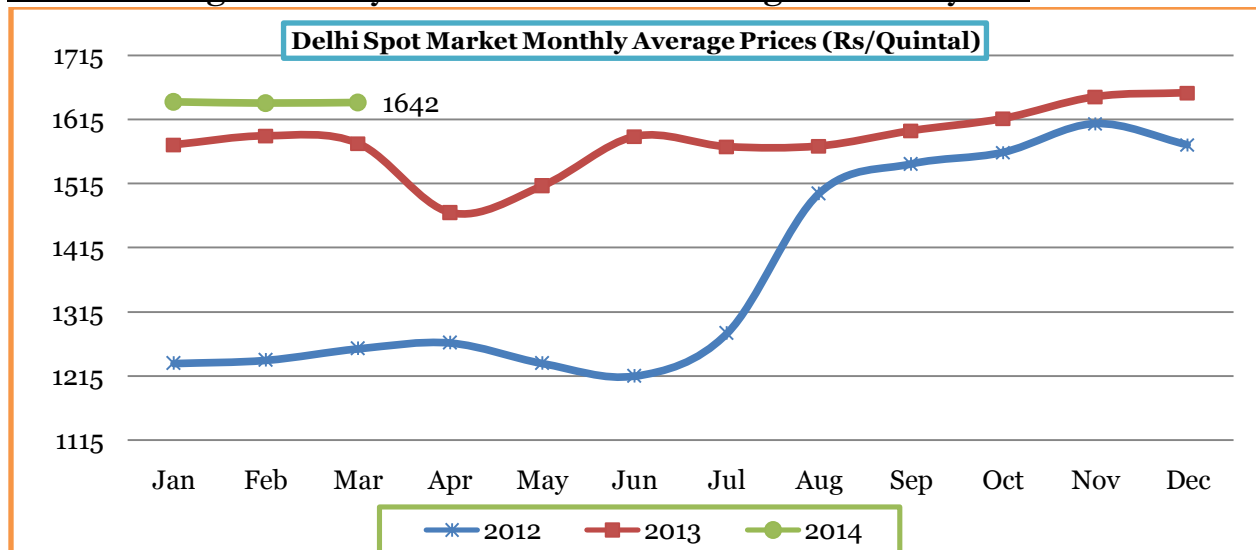
Balance sheet highlights:

- Despite slightly lower production than expectation in 2012-13 the supply side is expected to remain comfortable and export will continue further provided parity remains favourable. We expect carry out to remain at 27.78 million tonnes including private trade stock and farmers combined stock of 5-6 million tonnes.
- Exports are expected at 6.2 million tonnes as compared to previous estimate of 5.5 million tonnes owing to reduction in export floor price by \$40/T to \$260/T and good response to recent tenders issued by PSU's.
- Consumption is expected to increase substantially owing to implementation of Food Security Bill and fast growing feed and confectionary industry.

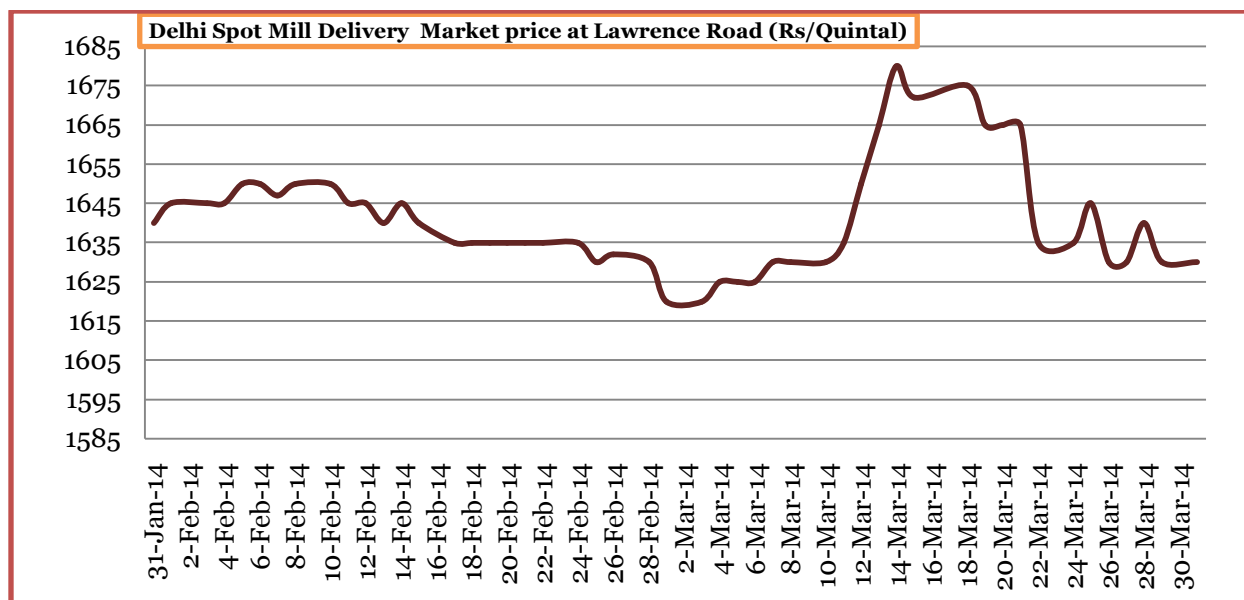
Wheat Production estimate 2012-13 crop:

State	Production('000 Tonnes)		Area('000 Hectares)		Yield('Kg/Hectare)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	4th Advance Estimate	Final Estimate	4th Advance Estimate	Final Estimate	4th Advance Estimate	Final Estimate
Andhra Pradesh	7	11	8	8	875	1375
Assam	57	60.3	48	52.6	1188	1147
Bihar	5375.1	4725	2215.1	2141.9	2427	2206
Chhattisgarh	141.3	133.1	101.2	108.5	1396	1227
Gujarat	3135	4072	1050	1351	2986	3014
Haryana	11117	12685.7	2497	2522	4452	5030
Himachal Pradesh	543.5	595.8	325.9	356.6	1514	1671
Jammu & Kashmir	415.8	500.3	296.2	296.2	1404	1689
Jharkhand	267.4	302.6	155.8	158.6	1716	1908
Karnataka	172	193	234	225	735	858
Madhya Pradesh	13133.4	11538.5	5300	4889.2	2478	2360
Maharashtra	875	1313	594	843	1473	1558
Orissa	2.1	2.4	1.3	1.5	1672	1644
Punjab	16106.1	17280.1	3522	3528	4573	4898
Rajasthan	8953.5	9319.6	2820	2935.3	3175	3175
Uttar Pradesh	30301.9	30292.6	9734	9731	3113	3113
Uttarakhand	838	878	358	369	2341	2379
West Bengal	907	872.9	322	315.7	2817	2765
Others	110	106.1	31.3	31.8	3514	3337
All India	92458.2	94882.1	29646.7	29864.8	3119.0	3177.0

Note: All figures are as per Ministry data.

Wheat Weekly Average Price Movement at key Spot Market:

Wheat Average Monthly Prices movement during last three years


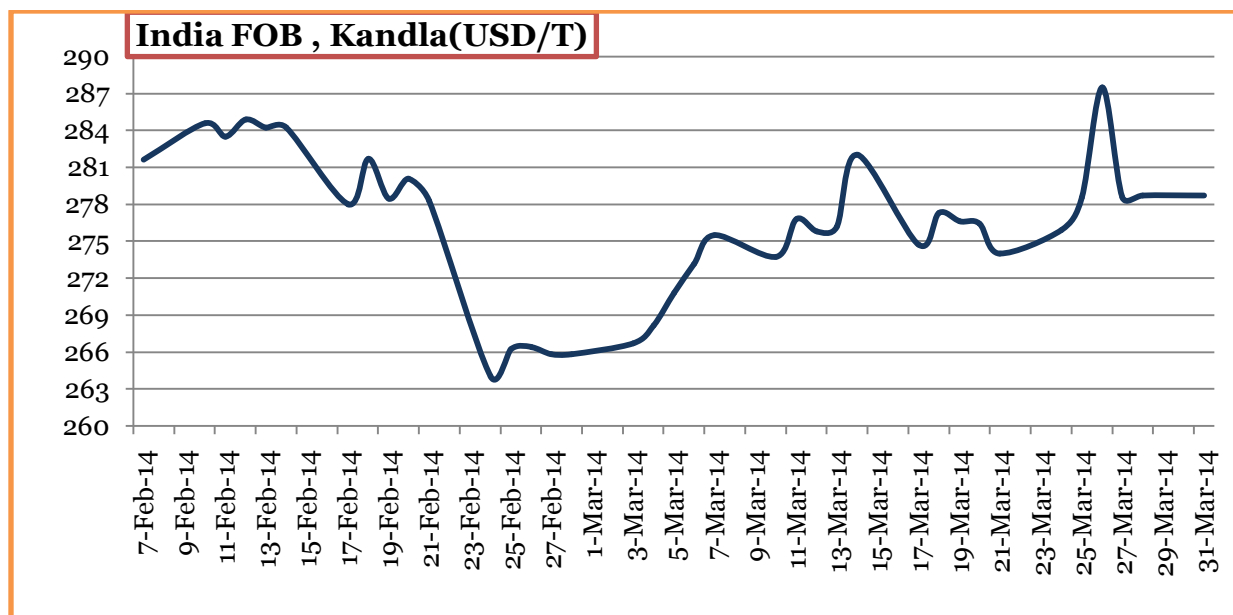
Wheat cash market in the month of March rules almost same from last month due to delayed harvesting in nearby states like Uttar Pradesh, Haryana and Punjab, untimely rains is the major cause for delaying of harvesting, once harvesting will start from mid of April, we expect market will move in the range to weak in coming months.



Wheat Exports from India

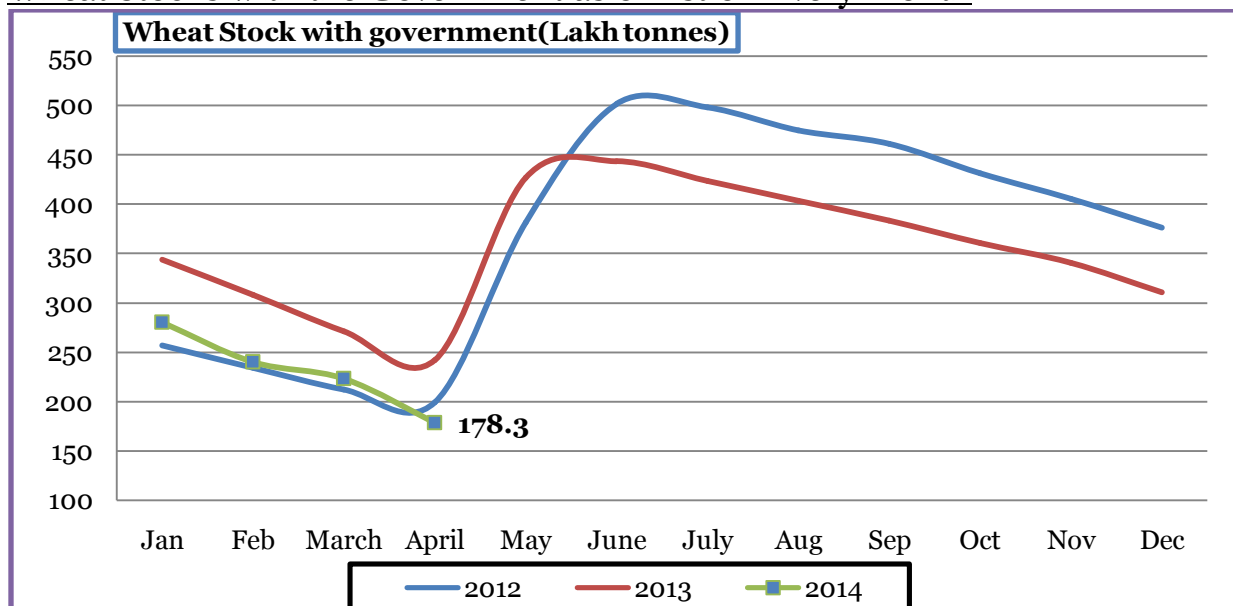
	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.38	232.12	237.46
Apr 12 - Mar 13	64.96	298.18	286.71
Apr-13	8.39	303.06	256.85
May-13	8.61	309.11	258.13
Jun-13	8.52	291.51	252.7
Jul-13	4.47	282.82	243.62
Aug-13	3.39	265.67	240.16
Sep-13	1.92	267.21	240.05
Oct-13	1.39	271.7	253.25
Nov-13	1.01	279.27	242.74
Dec-13	3.88	287.89	230.98
Jan-14*	5.01	281.84	212.17
Feb-14*	6.75	277.7	218.93
Mar-14			
Total 13-14	53.34	283.43	240.87

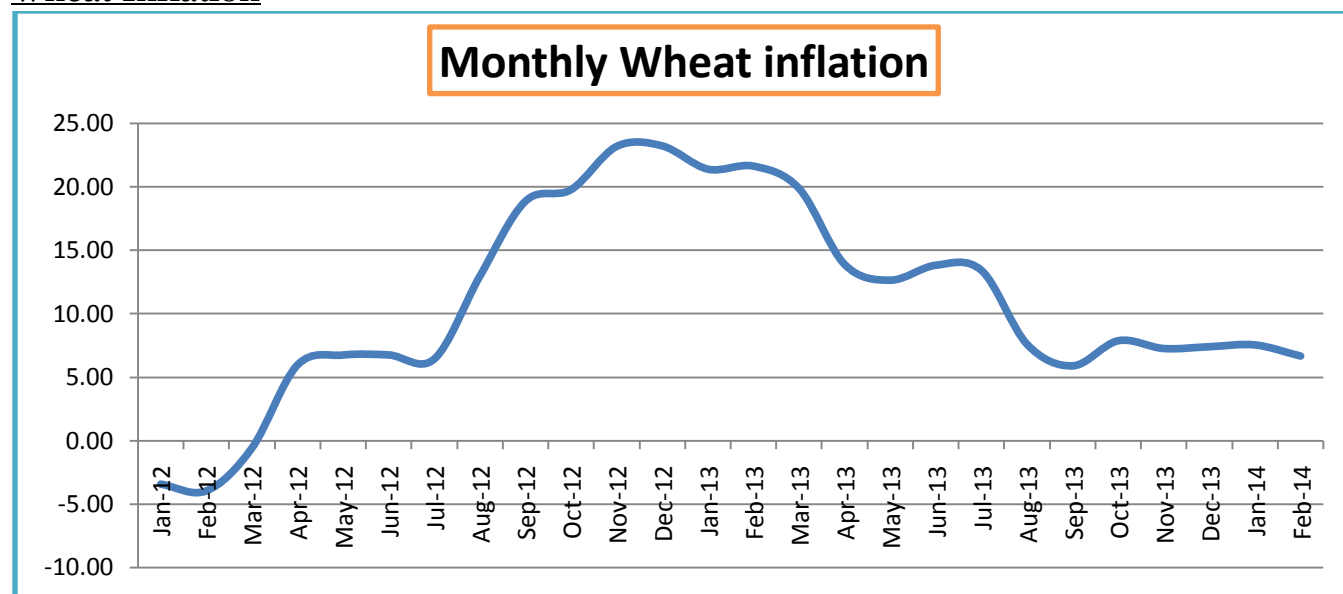
(Source: DGCIS, *Provisional data from IBIS)



Indian FOB quotes have slightly up in March month on month basis from \$265.83 per metric tonne in Feb to \$266.73 per metric tonne in March, 2014. Major export quotes hovered in the range of \$265 to \$280 per metric tonne.

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



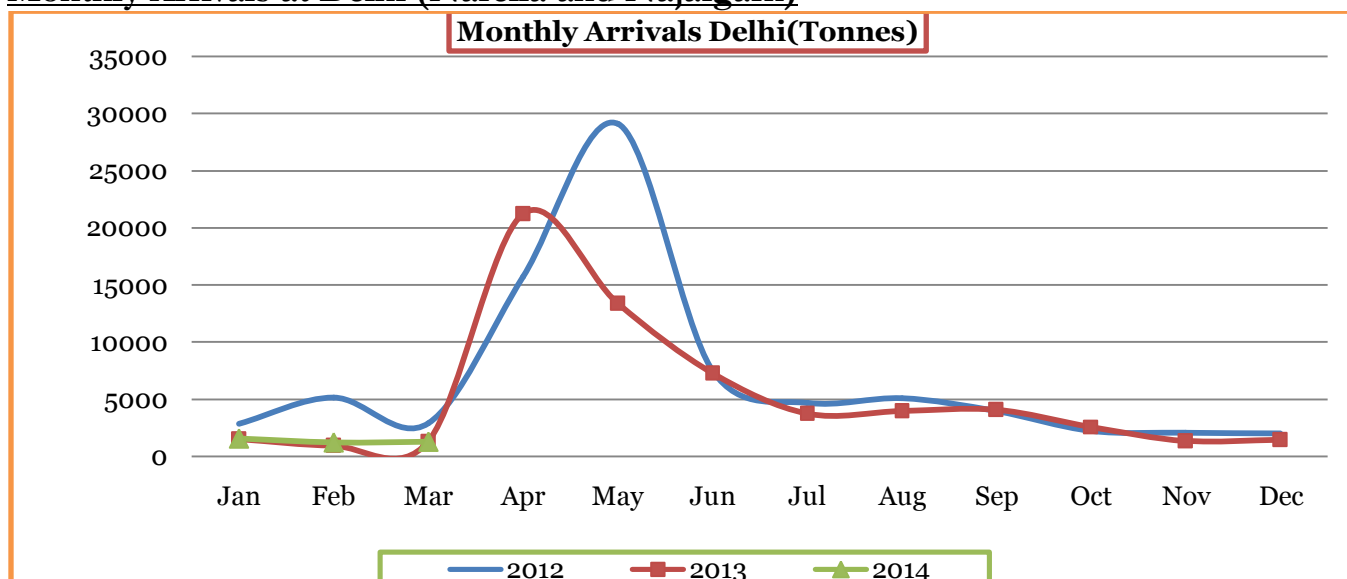
Wheat Inflation


Wheat stock in central pool warehouses was registered at 17.83 million T on 01 April compared to 22.35 million T on 1st March 2014. The highest accumulated stock is in Punjab (7.00 million T) followed by Haryana (2.94 million Tonne) and Madhya Pradesh (2.12 million tonne) as on 01.04.2014.

Monthly Average Prices at Various Spot Market					
	Delhi	Indore	Kota	Rajkot	Chennai
March 2013	1578.12	1525.80	1504.47	1492.85	1816.05
April 2013	1469.80	1503.33	1515.62	1460.83	1776.25
May 2013	1512.77	1584.60	1611.91	1521.11	1866.95
June 2013	1589.20	1606.66	1606.73	1565.20	1896.30
July 2013	1572.96	1603.84	1597.96	1549.03	1843.34
August 2013	1573.78	1619.72	1584.35	1550.62	1855.29
September 2013	1597.60	1645.71	1588.88	1566.73	1846.66
October 2013	1616.79	1698.00	1620.04	1572.94	1883.09
November 2013	1651.04	1698.75	1634.16	1631.17	2008.05
December 2013	1657.47	1674.56	1610.73	1609.31	2035.00
January 2014	1642.56	1693.26	1617.61	1650.40	1957.61
February 2014	1640.60	1692.82	1673.08	1584.47	1980.00
March 2014	1642.08	1693.33	1662.00	1530.26	1987.14

Monthly Price Comparison of Spot Markets:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			31/03/2014	28/02/2014	
Delhi					
	Lawrence Road	Mill Delivery	1630	1630	0
	Nazafgarh	Mill Quality Loose	1575	1615	-40
	Narella	Mill Quality Loose	1580	1565	15
Gujarat	Rajkot	Mill Delivery	1625	1600	25
	Ahmedabad	Mill Delivery	1625	1700	-75
	Surat	Mill Delivery	1680	1720	-40
M.P.	Bhopal	Lokwan	1750	1675	75
	Indore	Mill Delivery	1600	1625	-25
Rajasthan	Kota	Mill Quality	1500	1525	-25
	Kota	Mill Delivery	1570	1611	-41
U.P.	Kanpur	Mill Delivery	1680	1700	-20
	Mathura	Mill Quality Loose	1475	1625	-150
	Kosi	Mill Delivery	1510	1570	-60
Punjab	Khanna	Mill Quality Loose	1575	1620	-45
	Jagraon	Mill Delivery	1640	1640	0
Haryana	Sirsa	Mill Quality loose	1575	1590	-15
	Hodal	Mill Delivery	1610	1645	-35
Tamil Nadu	Chennai	Mill Quality	1680	2000	-320
	Madurai	Mill Quality	2037	2057	-20
	Coimbatore	Mill Quality	2037	2057	-20

Monthly Arrivals at Delhi (Narella and Najafgarh)


Domestic Outlook: Domestic wheat market is expected to trade weak in month ahead due to arrival of new crop but it may rise from the month end.

SWOT Analysis of Wheat

Strength

- Higher Stock.
- Bumper production prospects.
- Competitive quotes from other major rivals like Russia, Australia and USA.
- Better quality of Rajasthan and MP wheat.

Weakness

- Unstable dollar.
- Weak Infrastructure.
- Weather dependent crop.

Opportunity

- Tension between Russia and Ukraine.
- Competency of Indian wheat compare to Russia, Ukraine and Australia.
- Higher demand for premium grade like Lokwan,sharbati and tukda.
- Opportunity of Export from major importers like Bangladesh,Indonesia,Malaysia and west African countries for next 2-3 months

Threat

- Effect of harvesting of Russian and USA crop.
- Production loss due to Weather impact till April.
- Unstable INR.
- Aggressive selling strategy by major exporter like Australia and USA.

International Market Dynamics:

Global wheat markets traded steady to weak in March owing to plenty wheat supply in market. Lower wheat import demand in global market too has pushed prices down. Increased production estimates for Russia and Australia too has put bearish pressure on international market.

IGC sees global wheat production at 709 million tonnes as compared to 708 million tonnes in previous month estimate as crop prospects has improved in china. Trade is expected to increase by 10 million tonne over year and Consumptions is expected to increase to 692 million tonnes over previous forecast. Carryover stocks are expected to increase to 190 million tonnes from 173 million tonnes over previous year owing to rise in production.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13 est	Projection for 2013-14	
					27.02.2014	27.03.2014
Production	679	653	695	655	708	709
Trade	128	126	145	140	146	150
Consumptions	652	657	698	674	691	692
Carryover stocks	199	194	192	173	190	190
Y-O-Y change	27	-4	-3	-19	17	17
Major Exporters	79	73	68	48	56	54

IGC Balance Sheet Highlight

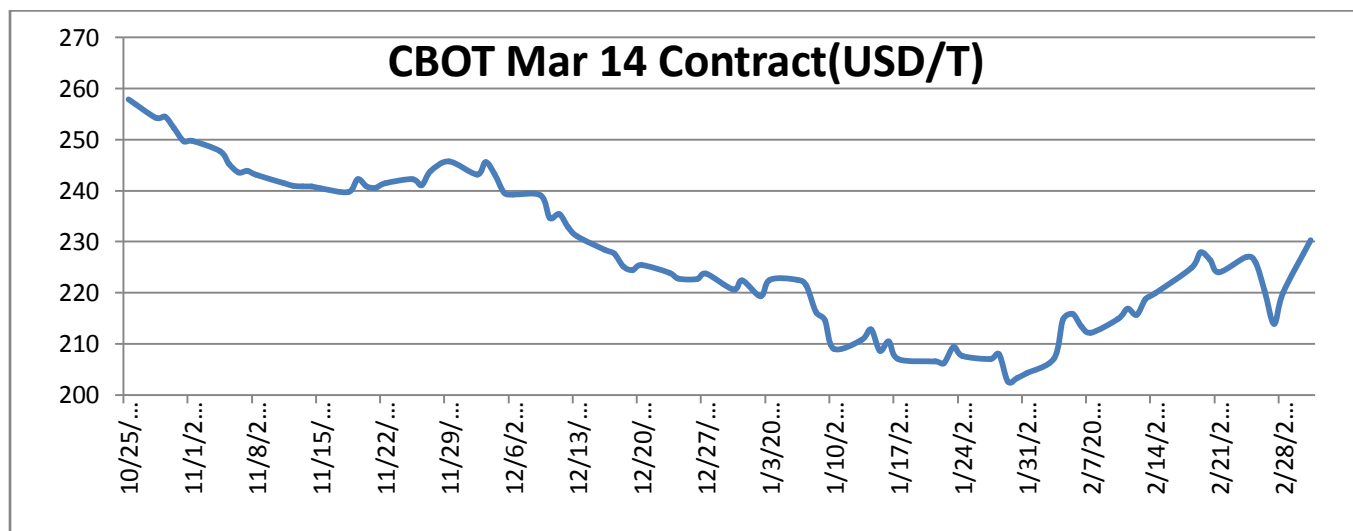
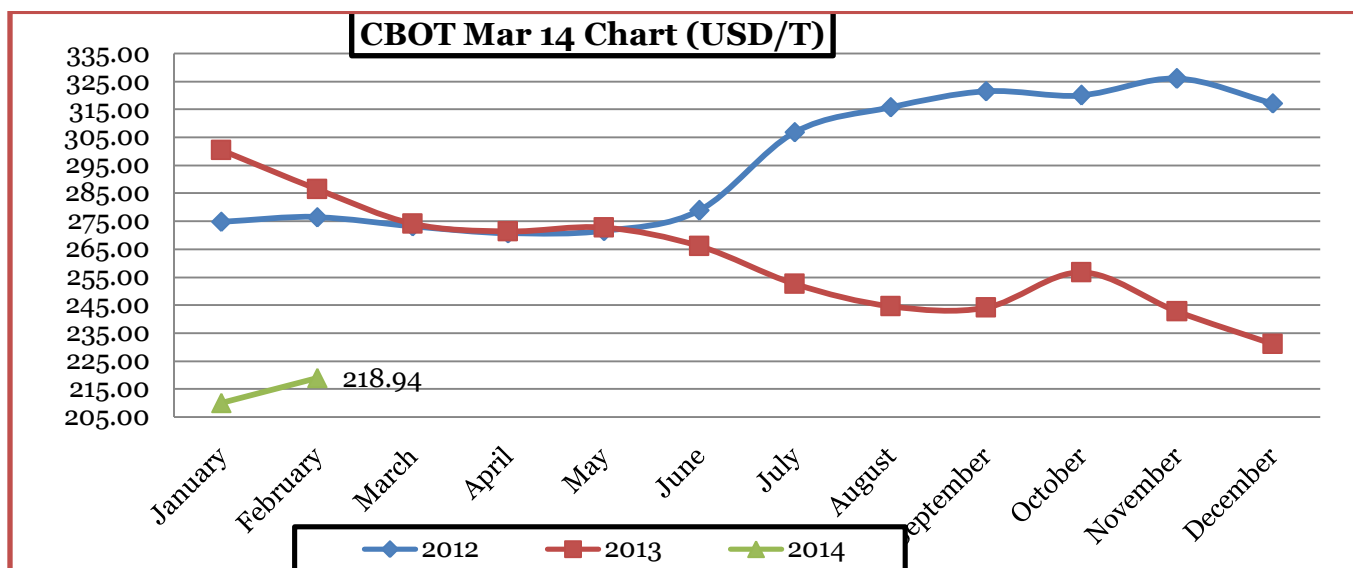
- Despite ample nearby supplies and generally favorable crop prospects, US weather concerns and political tensions in the Black Sea region have lifted the wheat GOI sub-Index 9% m/m.
- World stocks are seen up 17m t by the end of 2013/14, and trade is raised by 4m t this month, to a record 150m, with stronger than expected demand in Near East Asia and Africa.
- Projected 2014/15 global production has been lifted by 4m t, to 700m, but this would still be slightly lower y/y.
- Growth in food and feed demand are expected to entirely absorb output, with carryover stocks forecast to be little changed in 2014/15.

USDA Global Wheat Balance Sheet Fig.in MMT

Country	Opening stock 2013-14	Production projected 13-14	Domestic consumption (2013-14)	Import 13-14	Export 13-14	Ending stock 13-14	Production last year
USA	19.54	57.96	36.27	3.58	29.93	15.07	61.75
Canada	5.05	33.20	10	.49	21.50	7.24	27.20
Australia	3.70	25.50	6.55	.12	19	3.77	22.08
Argentina	.59	11.00	6.05	.005	4.5	1.04	09.50
Russia	5.18	51.50	35.00	.5	16	6.18	37.72
China	53.93	121	125.50	8.5	1	56.93	121.00
EU	10.01	143.34	121.75	4.5	24	12.1	133.20
Ukraine	2.18	22	11.50	.1	10	2.78	15.76
Pakistan	2.62	24	24	.9	.5	3.02	23.30
India	24.2	92.46	89.97	.01	6.5	20.20	94.88
Others	48.57	124.41	232.70	130.32	20.78	49.82	130.57
World total	175.58	706.37	699.29	149.52	153.72	178.47	655.93

CBOT Mar 14 Monthly Future Chart:


CBOT March 14 monthly chart shows the uptrend due to export demand for US wheat then down as FoB prices was not competitive. We expect prices to trade steady to moderately weak in the month of March, within the range of USD 235-260/MT.



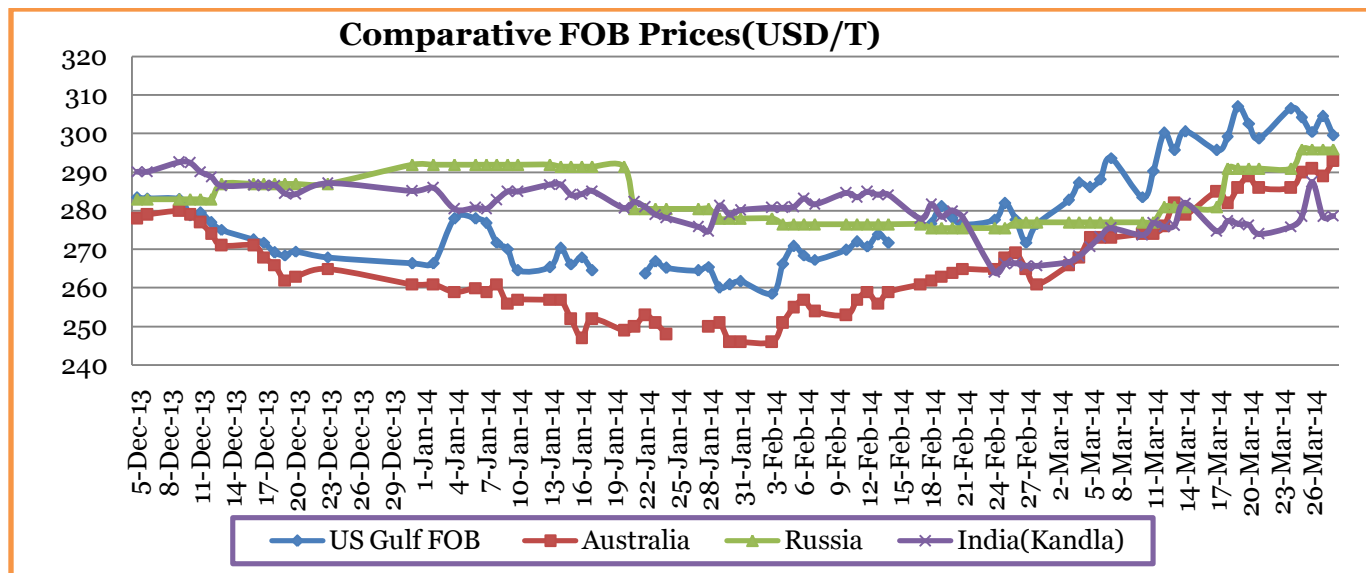
CBOT Mar 2014 contract traded in uptrend due to good export demand of US wheat.

CBOT comparison over period of time:

CBOT Futures Prices: Date: 31.04.14 (USD/T)							
CONTRACT MONTH	31 Mar 14	Week ago (24 Mar 2014)	1 Month ago(28 Feb 14)	3 Month ago(31 Dec 13)	6 Month ago(30 Sept 13)	1 Year ago(28 Mar 13)	% Change over previous year
14-Mar	256.17	262.51	221.27	224.85	253.41	267.83	-4.36
14-May	257.73	263.33	223.47	226.59	248.73	265.08	-2.77
14-Jul	260.39	265.81	226.50	230.18	250.38	267.19	-2.54
14-Sept	263.79	269.12	231.09	235.32	253.41	270.77	-2.58
14-Dec	266.55	271.05	234.68	238.35	255.99	272.43	-2.16
15-Mar	266.18	269.67	236.33	238.72	256.63	273.53	-2.69

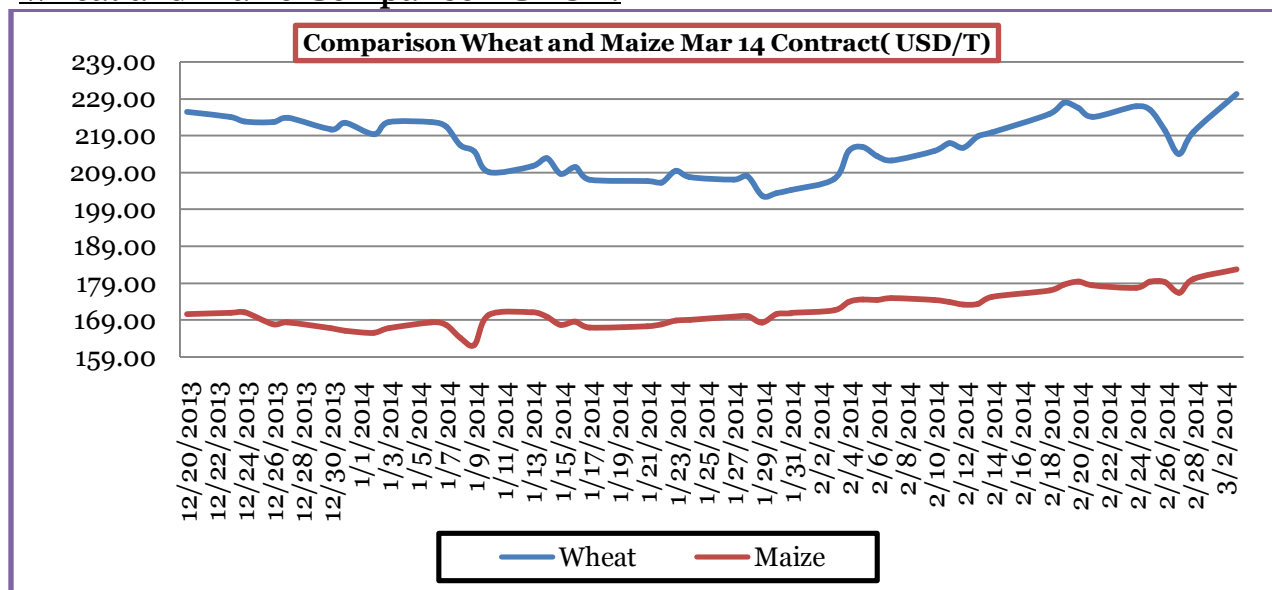
Comparative Month on Month FOB quotes: (Fig in \$ /MT)

All prices are for SRW /milling grade, comparable to Indian quality	1 st Dec	1 st Jan 14	1 st Feb 14	1 st Mar 14
USA	284.50	266.40	261.72	282.86
France	283.20	284.36	256.54	279.02
United Kingdom	NA	NA	NA	NA
Australia	280.00	261.00	246.00	266.00
Russia	283.00	292.00	278.00	277.00
India	287.69	285.95	280.13	266.73



International FOB has been trading steady to slightly firm due to tension between Russia and Ukraine and crop loss due to weather in U.S.A. and India.

Wheat and Maize Comparison CBOT:



It can be seen from above chart that Wheat and Corn prices follow each other as both are the ingredients of feed. This year corn production is expected to rise; this means more corn is available at cheaper price to substitute it with feed wheat. This may decrease feed wheat demand globally.

International Outlook: International CBOT future market decreased in recent days due to cooling down of Crimea issue and new crop from Ukraine ,Russia(Black sea region) is expected to hit in the market June onwards ,crop condition in Russia and Ukraine is considered fair to good as of now besides there are ample stock available in the global wheat market so if supply chain from black sea region gets affected in due course of time ,surplus wheat availability in major wheat exporting nation would take care of the global demand . However market participants need to have a close eye on weather development in us wheat growing belt, where standing crop needs rains as of now farmers are waiting for rains to have better yield from standing crop.US weather department have predicted rains in wheat growing region in next couple of weeks.
Overall sentiment for wheat in global market is steady to bearish for next few weeks.

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