

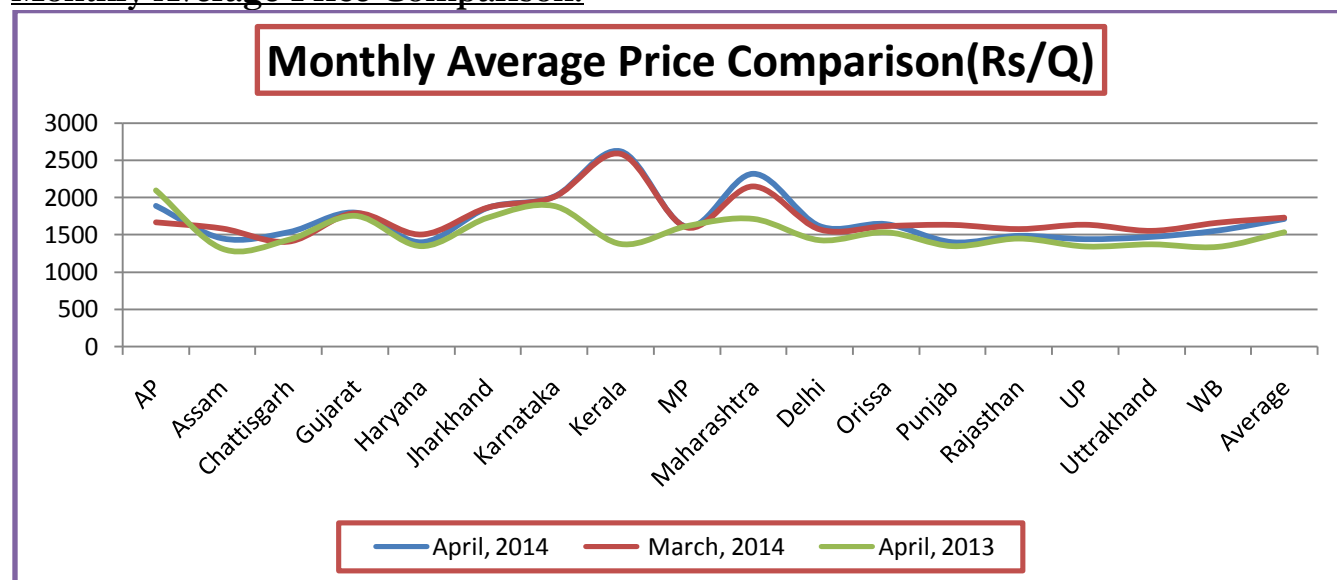
Executive Summary

Wheat cash market started with weak sentiment in the first half of the month and recovered again in the second half due to lower arrivals, untimely rains and delayed harvesting. Lackluster grain due to unseasonal rains has lent support to wheat. In major bench mark markets, wheat is hovering above MSP of Rs 1400 per qtl. for MY 2014-15. Harvesting activity is almost over in M.P., Rajasthan, Gujarat, Haryana while it is under way in Punjab, Uttar Pradesh and Bihar. Harvesting activities in these regions are expected to be over by mid May. Recent rains (4.5.2014) in Bihar and Eastern Uttar Pradesh have affected grain's quality of harvested crop.

Wheat procurement pace is rather slow due to late harvesting, higher prices in local market. FCI and other state agencies have procured 114.53 lakh tonne wheat as on 25.04 2014 against 160.79 lakh tonne last year till date. The govt has set the procurement target of 31 million tonne wheat in MY 2014-15. Target is unlikely to materialize.

Export from central pool stock through PSU's is yet to start. Govt. may take decision by June, by then procured quantity would be clear. New govt. too would take charge in the third week of May and decide over export quantity and schedule. Export from private trade continues, however, quantity is lower than expectation due to higher prevailing prices in the domestic market. Wheat export quantity has increased from 3.44 lakh tonne in March to 4.27 lakh tonne in April, 2014, higher by 24.12 percent. It would have been even higher if PSU's continue its export from central pool in favourable global wheat market. Average FOB quote has increased month on month basis from \$276.01 in March to \$278.33 per tonne in April. Private traders have struck deals in between \$278 to \$282 per tonne on FOB basis Kandla in the month of April. Quantity in question is around 50,000 tonne to be shipped in May.

Monthly Average Price Comparison:



State wise average monthly wheat price is almost same from previous month as harvesting pick up in Uttar Pradesh, Haryana and Punjab. Arrival pressure in these states pressurize in the markets, however market is likely to move steady to firm as wheat export demand is good.

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

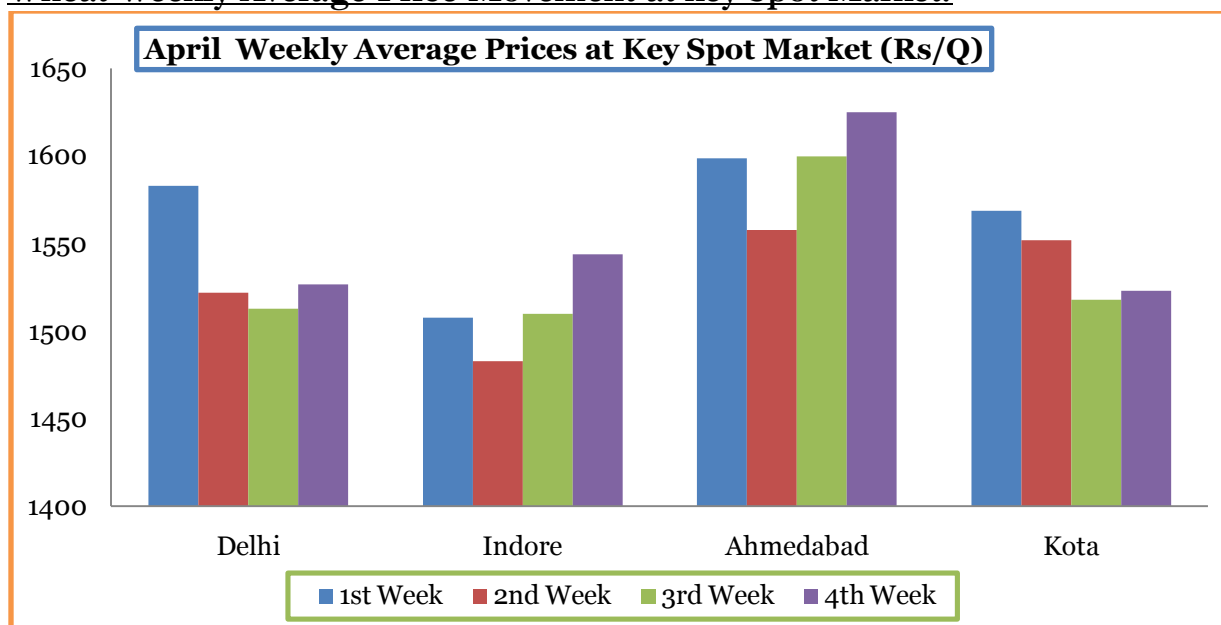
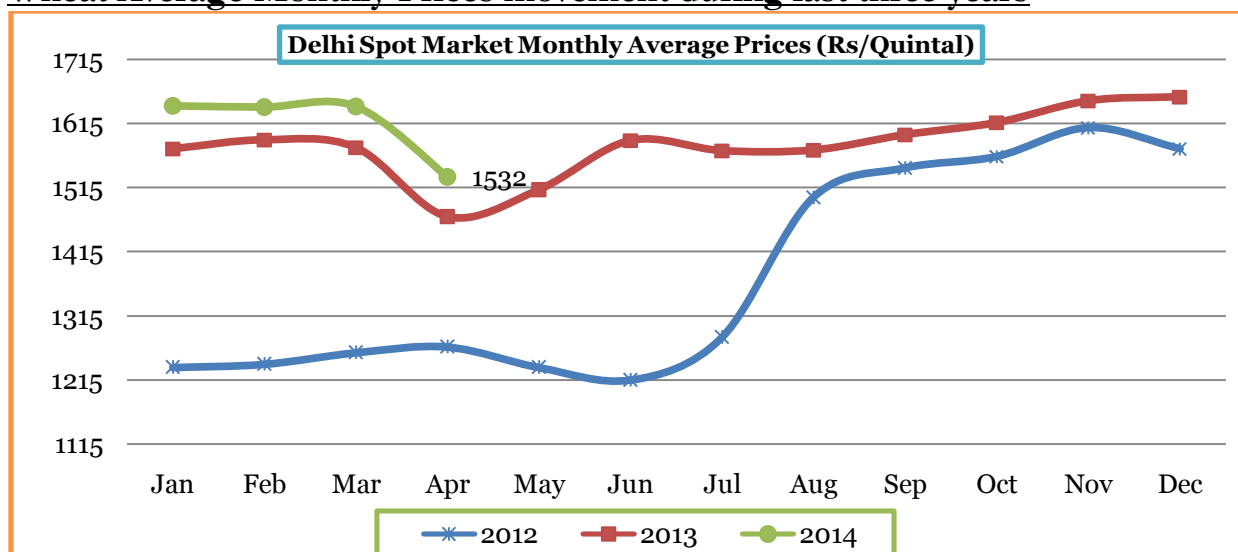
Balance sheet highlights:

- 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.

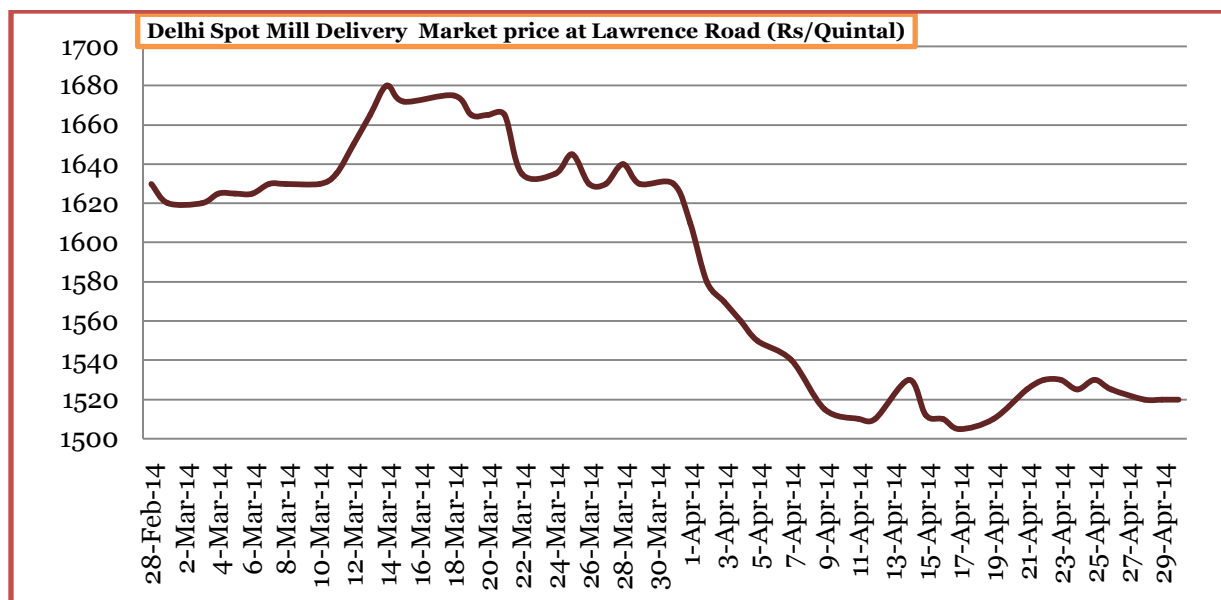
Wheat Production estimate 2012-13 crop:

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


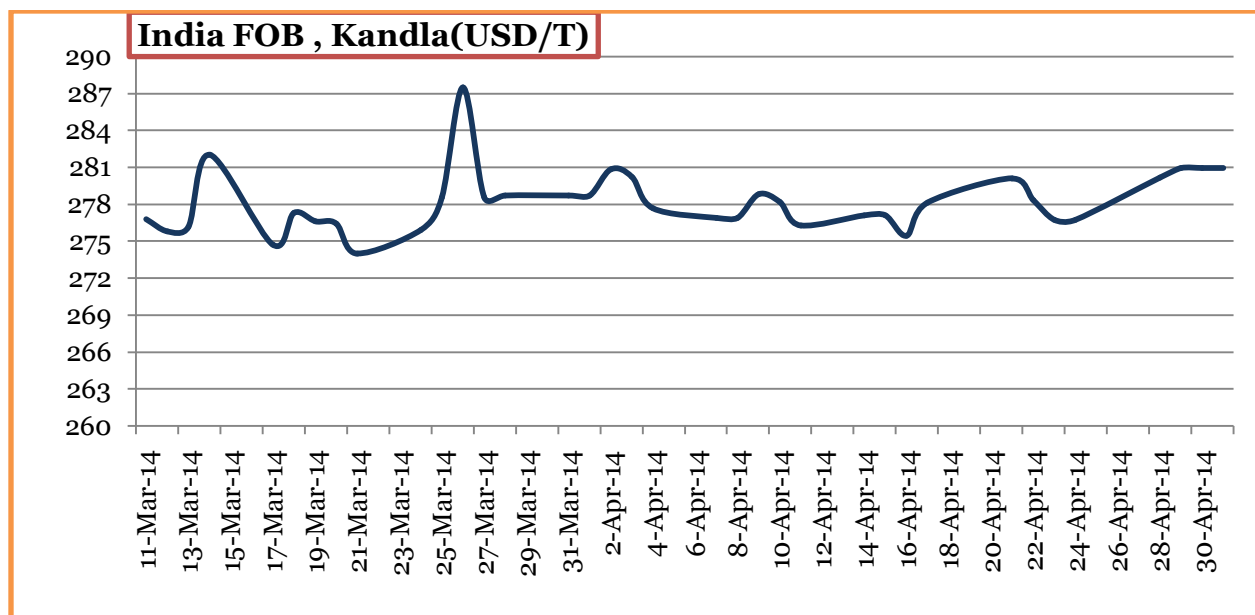
Wheat cash market in the month of April was weak due to the arrival pressure from Uttar Pradesh, Haryana and Punjab. We expect market will move in the range to firm in coming months as harvesting is almost done in many states and there is good export demand for wheat.



Wheat Exports from India

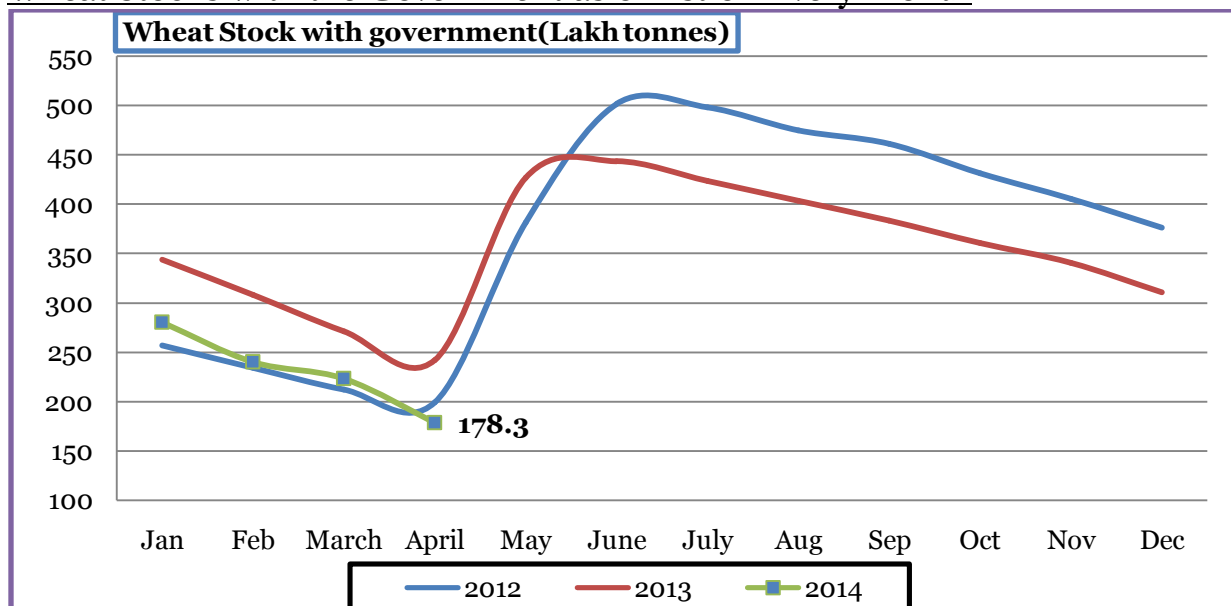
	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
Sept 11- Mar 12	7.38	232.12	237.46
Apr 12 - Mar 13	64.96	298.18	286.71
Apr 13 - Mar 14	55.54	282.82	241.6
4/1/2014*	4.27	278.33	250.82
May-14			
Jun-14			
Jul-14			
Aug-14			
Sep-14			
Oct-14			
Nov-14			
Dec-14			
Jan-15			
Feb-15			
Mar-15			
Total 14-15	4.27	278.33	250.82

(Source: DGCIS, *Provisional data from IBIS)

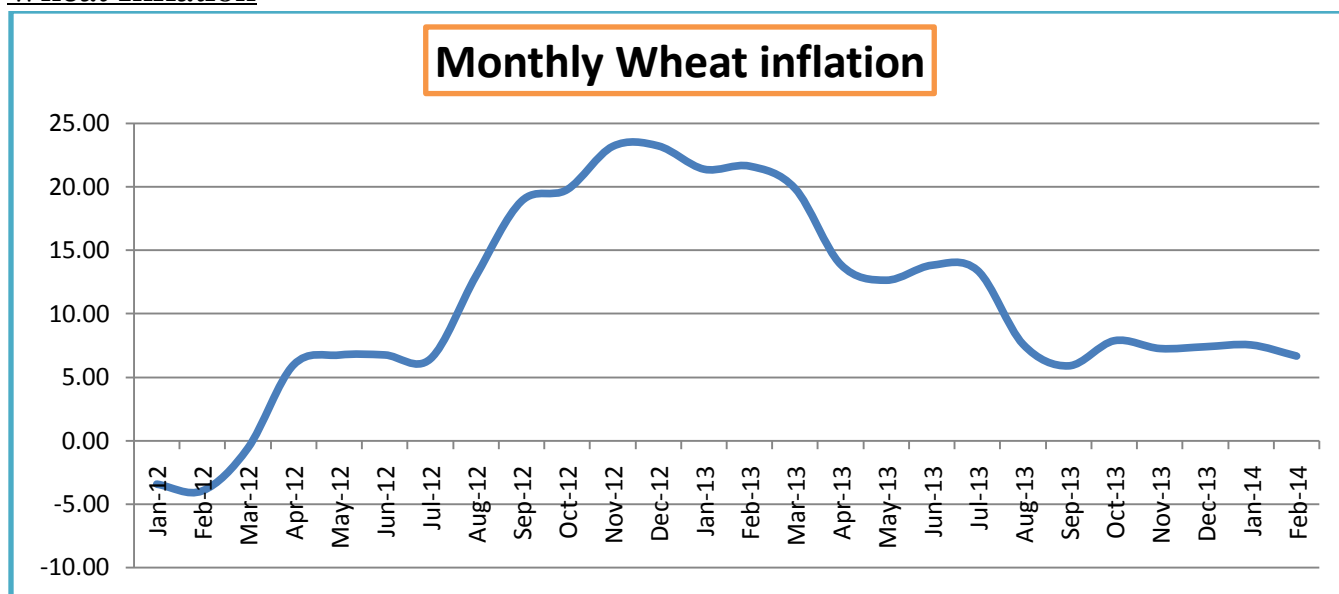


Indian FOB quotes have slightly up in April month on month basis from \$276.01 per metric tonne in March to \$278.33 per metric tonne in April, 2014. Major export quotes hovered in the range of \$270 to \$280 per metric tonne.

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



Wheat Inflation

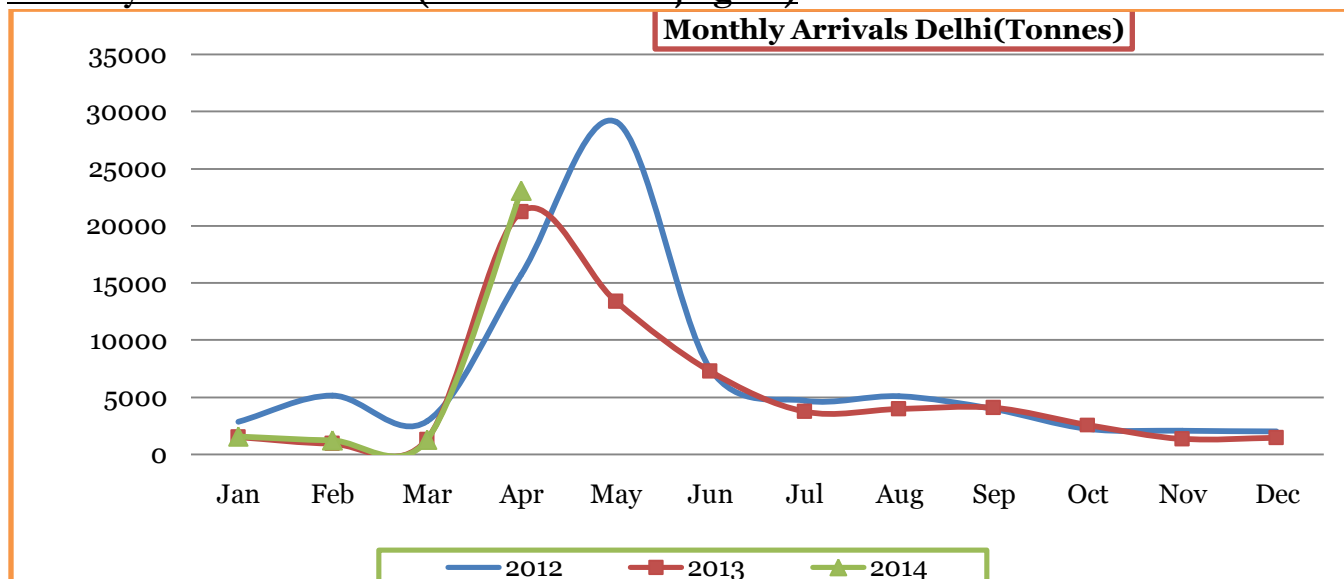


Wheat stock in central pool warehouses was registered at 17.83 million T on 01 April compared to 22.35 million T on 1st March 2014. The highest accumulated stock is in Punjab (7.00 million T) followed by Haryana (2.94 million Tonne) and Madhya Pradesh (2.12 million tonne) as on 01.04.2014.

Monthly Average Prices at Various Spot Market					
	Delhi	Indore	Kota	Rajkot	Chennai
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	1593.33	1655.00	1530.30	1987.14
April 2014	1632.00	1527.50	1521.70	1511.20	1866.10

Monthly Price Comparison of Spot Markets:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			30/04/2014	31/03/2014	
Delhi	Lawrence Road	Mill Delivery	1520	1630	-110
	Nazafgarh	Mill Quality Loose	NA	1575	NA
	Narella	Mill Quality Loose	1480	1580	-100
Gujarat	Rajkot	Mill Delivery	1625	1625	Unch
	Ahmedabad	Mill Delivery	1650	1625	25
	Surat	Mill Delivery	1670	1680	-10
M.P.	Bhopal	Lokwan	1760	1750	10
	Indore	Mill Delivery	1650	1600	50
Rajasthan	Kota	Mill Quality	1500	1500	Unch
	Kota	Mill Delivery	1535	1570	-35
U.P.	Kanpur	Mill Delivery	1510	1680	-170
	Mathura	Mill Quality Loose	1400	1475	-75
	Kosi	Mill Delivery	1400	1510	-110
Punjab	Khanna	Mill Quality Loose	1405	1575	-170
	Jagraon	Mill Delivery	1460	1640	-180
Haryana	Sirsa	Mill Quality loose	1400	1575	-175
	Hodal	Mill Delivery	1535	1610	-75
Tamil Nadu	Chennai	Mill Quality	1875	1990	-115
	Madurai	Mill Quality	1932	2037	-105
	Coimbatore	Mill Quality	1932	2037	-105

Monthly Arrivals at Delhi (Narella and Najafgarh)


Domestic Outlook: Domestic wheat market is expected to trade steady to slightly firm in month ahead due to good export demand.

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 mid May.
- 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

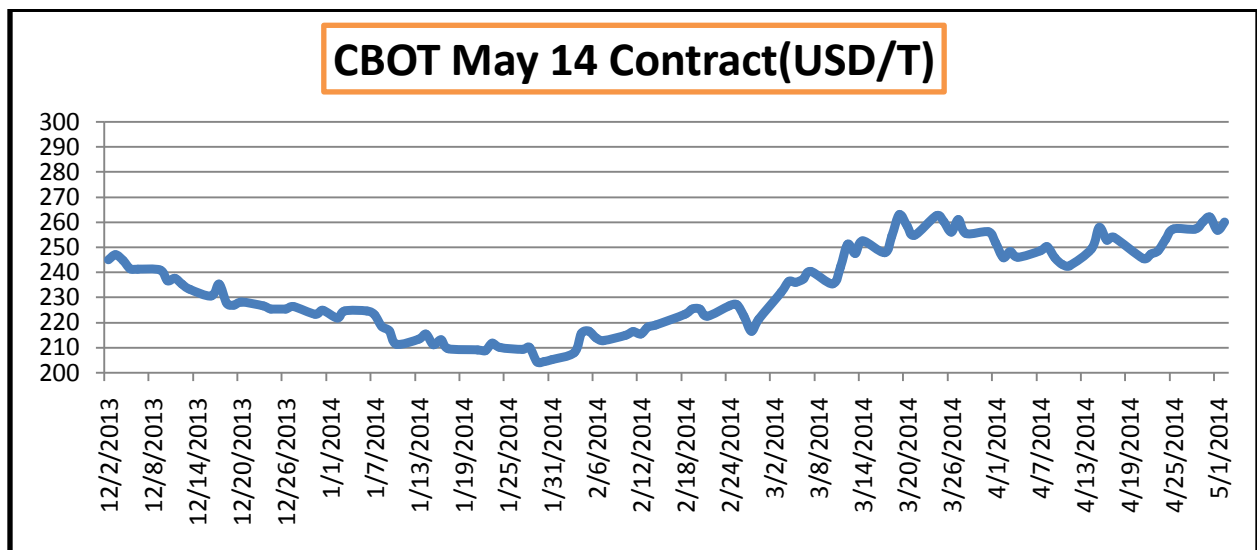
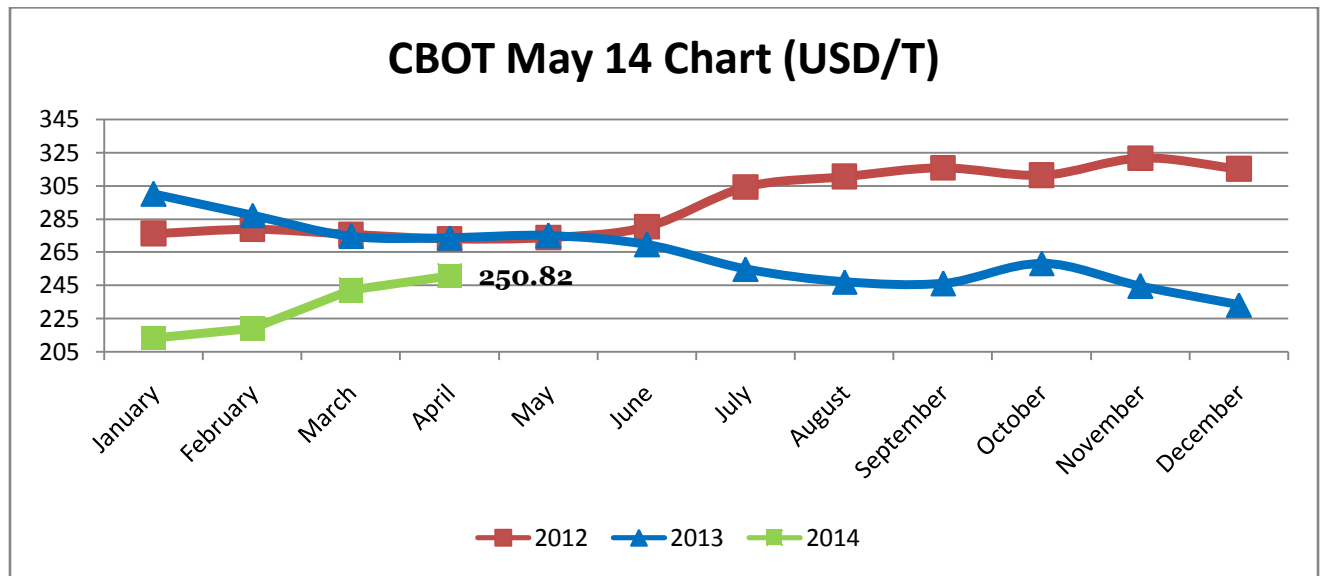
- Despite ample nearby supplies and generally favorable crop prospects, US weather concerns and political tensions in the Black Sea region have lifted the wheat GOI sub-Index 9% m/m.
- World stocks are seen up 17m t by the end of 2013/14, and trade is raised by 4m t this month, to a record 150m, with 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	19.53	57.96	34.14	4.7	31.5	15.87	61.67
Canada	5.05	37.50	10.4	0.465	22	10.11	27.2
Australia	4.24	27.00	6.95	0.13	18	5.42	22.46
Argentina	0.29	10.50	6.05	0.005	2	1.74	9.3
Russia	4.95	50.09	34.5	1.2	17.5	6.24	37.72
China	53.96	121.72	123.5	7	1	58.18	121.02
EU	10.57	142.88	117	3.8	29	11.26	133.87
Ukraine	2.57	22.27	11.5	0.1	9.5	3.95	15.76
Pakistan	2.62	24.00	24.1	0.5	0.7	2.32	23.3
India	24.2	93.51	92.73	0.02	5	19	94.88
Others	48.61	124.37	233.99	136.09	20.55	52.58	109.31
World total	176.59	712.52	694.9	154	156.8	186.7	656.5

CBOT Mar 14 Monthly Future Chart:



CBOT May 14 monthly chart shows the uptrend due to expectation of crop loss in U.S.. We expect prices to trade steady to moderately firm in the month of May, within the range of USD 250-280/MT.



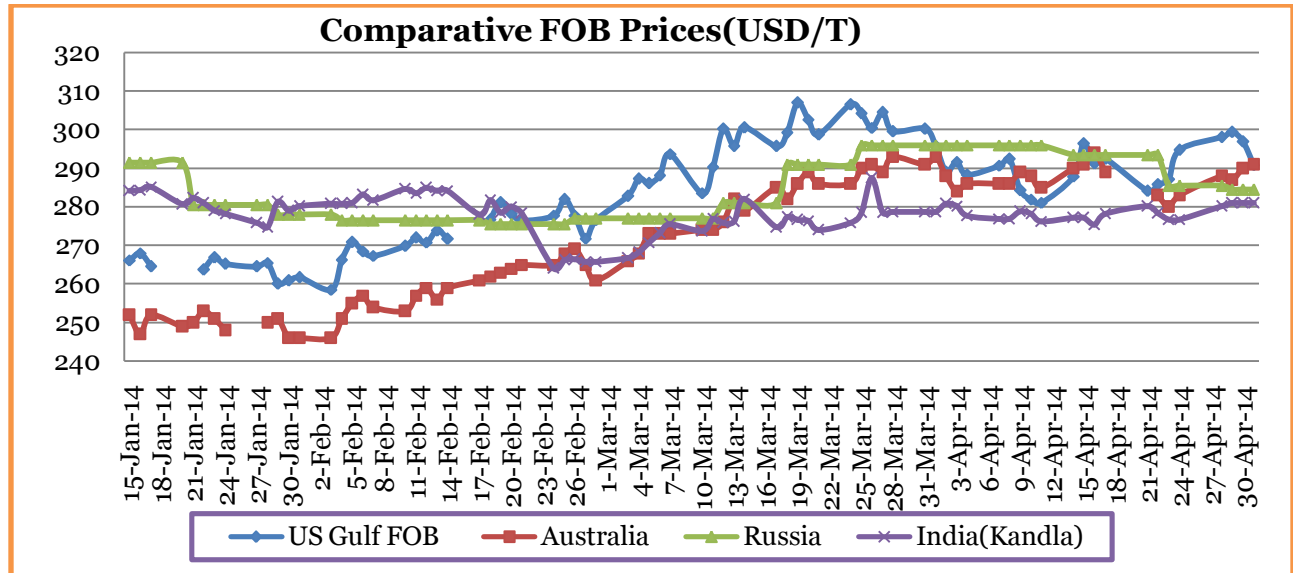
CBOT May 2014 contract traded in uptrend due to good export demand of US wheat.

CBOT comparison over period of time:

CBOT Futures Prices: Date: 30.04.14 (USD/T)							
CONTRACT MONTH	30 Apr 14	Week ago (22 Apr 2014)	1 Month ago(28 Mar 14)	3 Month ago(28 Jan 14)	6 Month ago(28 Oct 13)	1 Year ago(29 Apr 13)	% Change over previous year
14-Mar	261.96	247.26	255.53	210.06	256.26	278.21	-5.84
14-May	265.08	249.65	256.90	211.81	253.51	278.86	-4.94
14-Jul	268.11	253.14	259.66	214.93	256.54	280.60	-4.45
14-Sept	272.89	258.28	263.15	219.52	260.03	284.00	-3.91
14-Dec	277.11	263.33	265.91	223.10	261.96	285.84	-3.05
15-Mar	278.95	265.17	265.08	223.29	262.14	287.31	-2.91

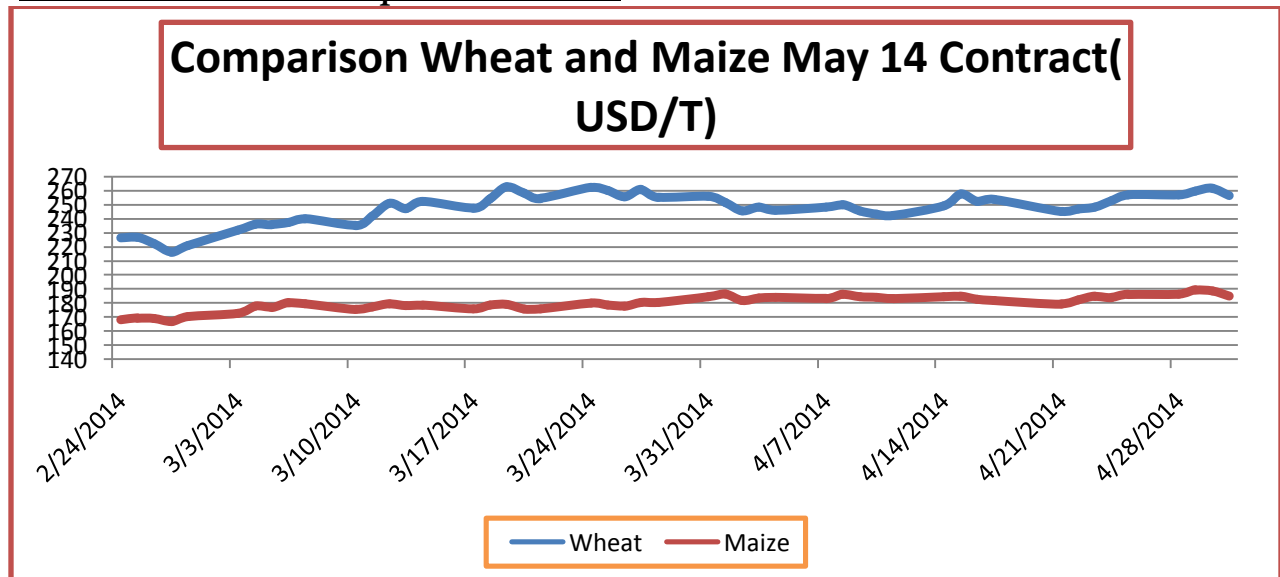
Comparative Month on Month FOB quotes: (Fig in \$ /MT)

All prices are for SRW /milling grade, comparable to Indian quality	1 st Jan 14	1 st Feb 14	1 st Mar 14	1 st Apr 14
USA	266.40	261.72	282.86	295.80
France	284.36	256.54	279.02	280.57
United Kingdom	NA	NA	NA	NA
Australia	261.00	246.00	266.00	293.00
Russia	292.00	278.00	277.00	296.00
India	285.95	280.13	266.73	278.75



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.

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 increased in recent days due to tension between Russia and Ukraine and crop loss report of U.S..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 amole 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.Overall sentiment for wheat in global market is steady to bearish for next few weeks.

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