AGRIWATCH

**Domestic Market Updates:**

**According to IBIS (provisional data), export of wheat in the** month of March was 3.44 Lakh tones which is around 56% less than last year at the same month, which was 7.92 Lakh tones in February 2013.

**Wheat harvesting gains momentum in major producing states** like Rajasthan, M.P. and has just commenced in Punjab and Haryana .Harvesting in U.P. and Bihar is expected in the second fortnight of April.

**At production front trade estimates lower production** against government estimate of 95.60 Million tonne(as per 2nd advance estimate).The main reason for lower production is mainly attributed to crop loss in parts of M.P. , Punjab and Haryana due to untimely rains and hailstorm.

**Wheat price is hovering in the range of Rs 1450-1475 M.P. & Rs1475-1480 in Rajasthan** which is above MSP. Private exports are buying wheat at 275 -276 dollar /tonne, better export opportunity likely to continue till June when Black Sea region crop starts hitting the global market.

**Due to delayed harvesting and higher prevalent prices** in the market restricts procurement activities .As per market feedback government procurement would be lower than set target of 30-31 Million tonne for 2014-15 MY.

**Overall wheat quality is good except some pockets of M.P**., Punjab and Rajasthan. Quality of wheat in Saurasthra region (Gujarat) is better than last year.

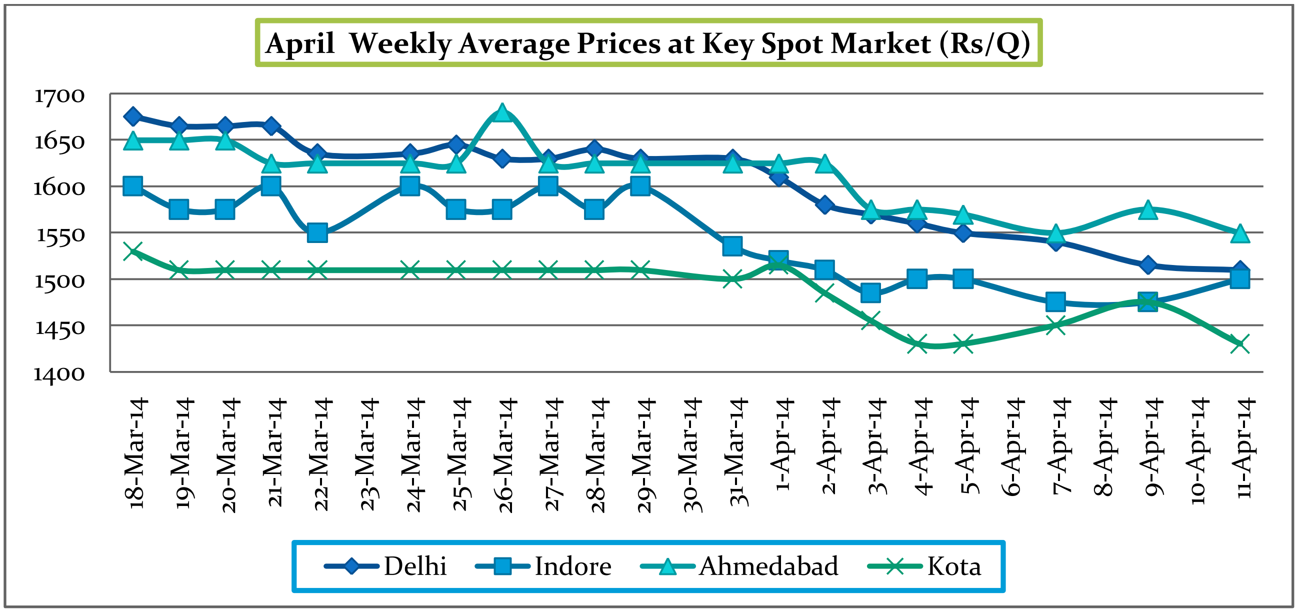
**Wheat stock in central pool warehouses was registered at 17.83 million T** on 01 April compared to 22.35 million T on 1st March 2014. The highest accumulated stock is in Punjab (7.00 million T) followed by Haryana (2.94 million Tonne) and Madhya Pradesh (2.12 million tonne) as on 01.04.2014.

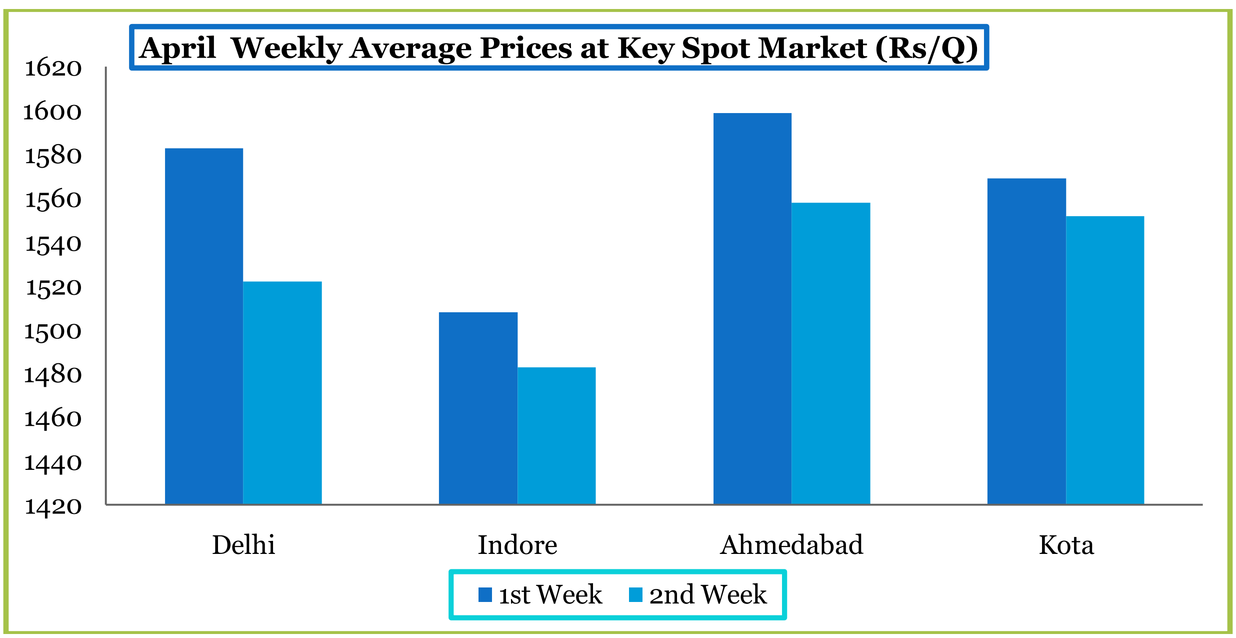
**Unexpected rains, accompanied by strong winds,** in larger parts of Punjab and Haryana in the last week of March and the first day of April may affect quality of wheat. Standing crop has flattened and it may reduce yield. Wheat crop in districts like Ferozpur,Gurdaspur, Pathankot, Mohali, Tarn Taran 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.

***Weather Watch: (Source-IMD)***

- Rain/thundershowers would occur at many places over western Himalayan region on 16th & 17th and at isolated places over adjoining northwest India.
- Rain/thundershowers would occur at a few places over northeastern states and isolated places over south peninsular India.
- Weather would be mainly dry over rest of the country.




Key spot wheat mill delivery prices traded weak due to arrival of the new crop.

| STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.04.2014: | STOCK WITH FCI | STOCK WITH STATE AGENCIES | TOTAL IN CENTRAL POOL |
|---|---|---|---|
| EAST ZONE | 6.16 | 0.00 | 6.16 |
| NORTH EAST ZONE | 0.35 | 0.00 | 0.35 |
| NORTH ZONE | 53.31 | 74.54 | 127.85 |
| SOUTH ZONE | 6.68 | 0.00 | 6.68 |
| WEST ZONE | 12.22 | 20.29 | 32.51 |
| TOTAL | **78.72** | **94.83** | **173.55** |

(Figures in Lakh Tonnes)

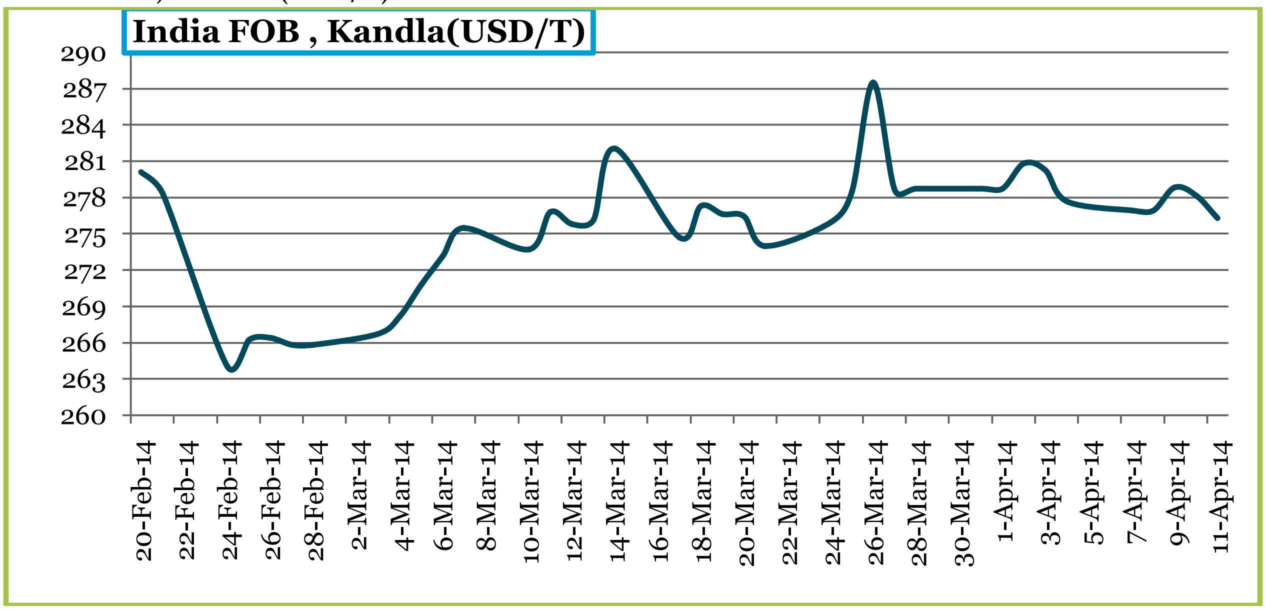
**FOB Value as on 11.04.2014 from various destinations at Kandla:**

| Parity Calculation | Rajkot | Kota | Begusarai | Indore | Kosi | MSP | ECO.Cost |
|---|---|---|---|---|---|---|---|
| Basic cost of wheat (Rs/ton) | 14750 | 14300 | 14500 | 14500 | 13800 | 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) | 15950 | 15950 | 16900 | 16450 | 15850 | 15700 | 19100 |
| **Indian FOB (USD/MT)** | **264.69** | **264.69** | **280.45** | **272.98** | **263.03** | **260.54** | **316.96** |
| Insurance @ 0.1% | 0.26 | 0.26 | 0.28 | 0.27 | 0.26 | 0.26 | 0.32 |
| Freight Charges (US $/ton) to Chittagong | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| CIF (kandla to Chittagong) | 283 | 283 | 298 | 291 | 281 | 279 | 335 |
| **INR** | 60.26 | 60.26 | 60.26 | 60.26 | 60.26 | 60.26 | 60.26 |
| **Russian Wheat FOB (USD/MT)** | **292** | **292** | **292** | **292** | **292** | **292** | **292** |
| **Parity on FOB Basis (USD/MT)** | **27** | **27** | **12** | **19** | **29** | **31** | **-25** |

## Spot prices of wheat at NCDEX Delivery centers

| NCDEX SPOT | 11 Apr , 2014 | week ago 02 Apr, 2014 | Month ago 08 Mar 14 | Year ago 04 Apr 2013 | Change over previous Year % |
|---|---|---|---|---|---|
| **Indore** | 1511 | 1534 | 1565 | 1540 | **-1.88** |
| **Bareilly** | 1525 | 1525 | 1770 | 1450 | **5.17** |
| **Delhi** | 1510 | 1606 | 1633 | 1450 | **4.14** |
| **Khanna** | NA | NA | NA | 1640 | **NA** |
| **Kanpur** | 1490 | 1540 | 1765 | 1475 | **1.02** |
| **Karnal** | NA | NA | NA | 1529 | **NA** |
| **Rajkot** | 1564 | 1580 | 1571 | 1500 | **4.27** |
| **Kota** | 1538 | 1575 | 1700 | 1425 | **7.93** |

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 - Mar 13** | **64.96** | **298.18** | **286.71** |
| Apr-13 | 8.32 | 303.06 | 256.85 |
| May-13 | 8.66 | 309.11 | 258.13 |
| Jun-13 | 8.24 | 291.51 | 252.70 |
| Jul-13 | 4.46 | 282.82 | 243.62 |
| Aug-13 | 3.18 | 265.67 | 240.16 |
| Sep-13 | 1.79 | 267.21 | 240.05 |
| Oct-13* | 0.57 | 271.7 | 253.25 |
| Nov-13* | 0.65 | 279.27 | 242.74 |
| Dec-13* | 3.83 | 287.89 | 230.98 |
| Jan-14* | 5.01 | 281.84 | 212.17 |
| Feb-14* | 6.75 | 277.70 | 218.93 |
| Mar-14* | 3.44 | 276.01 | 249.56 |
| **Total 13-14** | **54.9** | **282.82** | **241.60** |

Source: DGCIS, *Provisional Data (As per IBIS)

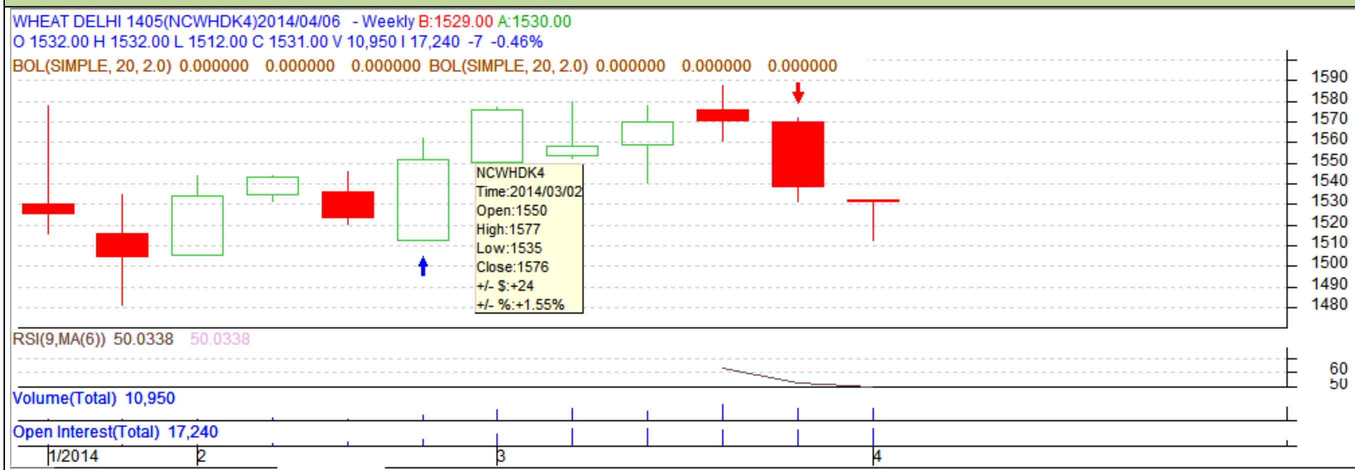
**Domestic Key Spot Market Price Comparison:**

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|---|---|---|---|---|---|
| | | | 11.04.2014 | 05.04.2014 | |
| Delhi | Lawrence Road | Mill Delivery | 1510 | 1550 | -40 |
| | Nazafgarh | Mill Delivery Loose | 1440 | 1465 | -25 |
| | Narella | Mill Delivery Loose | 1440 | 1480 | -40 |
| Gujarat | Rajkot | Mill Delivery | 1550 | 1570 | -20 |
| | Ahmedabad | Mill Delivery | 1600 | 1620 | -20 |
| M.P. | Bhopal | Mill Quality Loose | 1375 | 1450 | -75 |
| | Indore | Mill Delivery | 1500 | 1500 | Unch |
| Rajasthan | Kota | Mill Quality | 1430 | 1430 | Unch |
| U.P. | Mathura` | Mill Quality Loose | 1400 | 1440 | -40 |
| Punjab | Khanna | Mill Quality Loose | 1415 | 1560 | -145 |
| Haryana | Sirsa | Mill Delivery loose | 1525 | 1570 | -45 |

**Commodity: Wheat** | **Exchange: NCDEX**

**Contract: May** | **Expiry: 20th May, 2014**

## Wheat (Weekly Chart)




**Technical Commentary**:

- Candle stick chart depicts downward movement in the market.
- Fall in price and rise in O.I. indicates short buildup.
- RSI is in neutral region.

**Strategy: Sell**

| Intraday Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|---|---|---|---|---|---|---|---|
| Wheat | NCDEX | February | 1480 | 1500 | 1531 | 1550 | 1560 |
| **Intraday Trade Call*** | | | **Call** | **Entry** | **T1** | **T2** | **SL** |
| Wheat | NCDEX | February | **Sell** | 1534 | 1522 | 1516 | 1540 |

*Do not carry forward the position until the next Week.

***__Domestic Weekly Outlook:__*** **We expect wheat cash market to trade steady to weak due to new arrival hitting in the market.**

**International Market Updates:**

**IGC has revised down Global Wheat production** estimate from 709 million tonne(2013-14) to 700 million tonne in 2014-15.

**USDA has revised production estimate 656.4** (2012-13) to 712.52 Million tonne for 2013-14.It is 0.2 Million tonne lower than previous month estimate.

**Global 2013/14 wheat supplies are raised 0.5 million tons** with higher projected beginning stocks, mostly because of reductions in European Union and Ukraine consumption for 2012/13.

**World wheat imports for 2013/14 are lowered 1.7 million tons** mostly reflecting a 1.5-million-ton reduction for China. Smaller import reductions are made for Bangladesh, the European Union, Pakistan, and South Africa.However impot valus has been increased for Mexico, Nigeria, and Russia.

**Egypt bought 230,000 tonnes of Russian, Romanian and Ukrainian wheat** for shipment May 1-10, the average price for the purchase was $300.35 a tonne, on a cost and freight basis.GASC said it bought 55,000 tonnes of Russian wheat from Bunge for $298.63, 60,000 tonnes of Romanian wheat from Ameropa for $300.90, 60,000 tonnes of Romanian wheat from Nidera for $300.90 and 55,000 tonnes of Ukrainian wheat from Bunge for $300.97.

**Algeria's state grains agency OAIC bought 4, 50,000 tonnes** of milling wheat at around $315-316.50 a tonne C&F for shipment in June. The origin of the wheat bought this week was optional but it was expected to be sourced from France, the traders said.

**Syria Is facing accute drought and major wheat growing region (north-west)** is badly affected right now.Wheat production is expected to dip from 2 million tonne to 1.7 million tonne.If drought continues more dip in production in the country is a visible possibility.Syrian wheat crop is harvested in the month of MAy.So the time is very crucial for the final size of the crop.The affected region are Aleppo, Idlib, and Hama.Syrian wheat requirement is bound to increase.

**Pakistan has set wheat procurement target at 3.5 million tonne** for Punjab province.Harvesting of crop has started and govt. procuremnet would start from 15th April.Crop yield is same as last year and wheat production may cross 24 million tonne.Wheat export volume has declined in recent month as local prices are higher.

**South Korean trading firm Daewoo International sold 50,000 tonnes of wheat** to Bangladesh for $325.45 a tonne CIF .The proposed imports are part of a plan by the Directorate General of Food, the state grains buyer, to ship in 850,000 tonnes of wheat in the year to June 2014.

**IGC Wheat Balance Sheet** (Quantity in MMT)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 Est. | Projection for 2013-14 | |
|---|---|---|---|---|---|---|---|
| | | | | | | 27.02.2014 | 27.03.2014 |
| **Production** | 685 | 679 | 653 | 695 | 655 | 708 | 709 |
| **Trade** | 137 | 128 | 126 | 145 | 140 | 146 | 150 |
| **Consumption** | 645 | 652 | 657 | 698 | 674 | 691 | 692 |
| **Carryover stocks** | 173 | 199 | 194 | 192 | 173 | 190 | 190 |
| **Y-O-Y change** | 41 | 27 | -4 | -3 | -19 | 17 | 17 |
| **Major Exporters** | 69 | 79 | 73 | 68 | 48 | 56 | 54 |

**Indicative FOB Quotes:**

| | Variety | % Change over Prev. Year | 11.04.14 | Week Ago 01.04.14 | Month Ago (Mar) | 3 Months Ago (Jan) | Year Ago (Apr) |
|---|---|---|---|---|---|---|---|
| **USA (Gulf)** | SRW 2 | **3.79** | 281.90 | 295.80 | 282.86 | 276.84 | 271.60 |
| **France** | FCW3 | **-8.82** | 283.03 | 280.57 | 279.02 | 278.47 | 310.40 |
| **United Kingdom** | Feed wheat | **NA** | NA | NA | NA | NA | NA |
| **Australia** | CWRS | **9.13** | 288.00 | 293.00 | 266.00 | 259.00 | 263.91 |
| **Russia** | SRW | **8.82** | 296.00 | 296.00 | 277.00 | 292.00 | 272.00 |
| **Ukraine** | SRW | **8.58** | 297.50 | 297.50 | 278.50 | 297.50 | 274.00 |
| **Argentina** | SRW | **19.55** | 365.00 | 365.00 | 340.00 | 315.00 | 305.32 |

Global wheat market is expected to trade weak on higher wheat production estimate of 711 million tones and IGC latest estimate of 709 million tones may keep market under pressure in medium term.

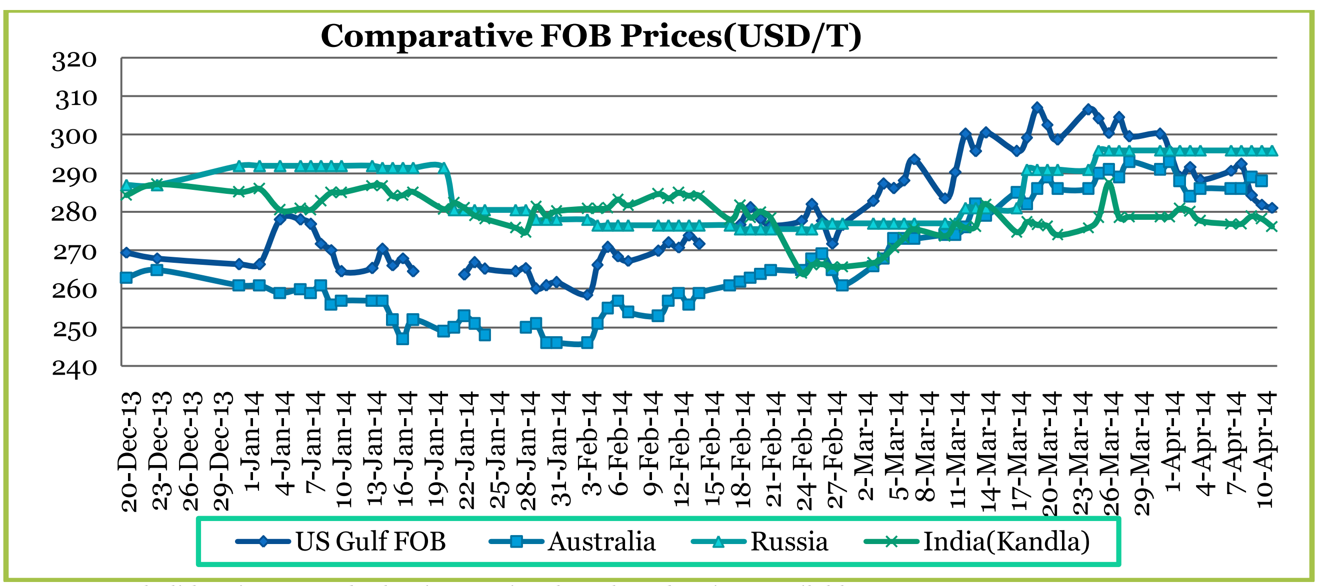
**CBOT FUTURES CONTRACT:**

**CBOT Futures Prices: Date: 11.04.14 (USD/T)**

| CONTRACT MONTH | 11 Apr 14 | Week ago (03 Apr 2014) | 1 Month ago(10 Mar 14) | 3 Month ago(10 Jan 14) | 6 Month ago(10 Oct 13) | 1 Year ago(10 Apr 13) | % Change over previous year |
|---|---|---|---|---|---|---|---|
| **14-Mar** | 242.58 | 248.36 | 235.41 | 211.26 | 256.72 | 274.54 | **-11.64** |
| **14-May** | 245.52 | 250.47 | 237.34 | 213.37 | 253.78 | 275.64 | **-10.93** |
| **14-Jul** | 249.10 | 253.60 | 240.37 | 216.95 | 255.80 | 277.94 | **-10.38** |
| **14-Sep** | 254.15 | 258.10 | 244.50 | 222.09 | 259.66 | 280.97 | **-9.55** |
| **14-Dec** | 258.74 | 261.68 | 251.21 | 225.58 | 261.68 | 283.08 | **-8.60** |
| **15-Mar** | 261.68 | 263.61 | 247.44 | 226.04 | 261.31 | 283.72 | **-7.77** |

## *CBOT May 14 Future Charts:*


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




Note: Due to holidays in U.S. and other international markets data is unavailable.

**International Weather update: (Source-USDA)**

**Australia**- *In the wake of last week's soaking rains; scattered showers (10-25 mm, locally near 50 mm) lingered across southern Queensland and northern New South Wales. In areas where wet weather persisted, the rainfall provided a beneficial boost in topsoil moisture in advance of upcoming winter wheat planting. In areas where drier weather prevailed, fieldwork likely regained momentum. Temperatures in major summer crop areas averaged 1 to 3°C above normal, with maximum temperatures generally in the upper 20s to lower 30s degrees C.*

**Argentina** *Frequent, occasionally heavy showers provided locally excessive moisture for maturing summer crops in major production areas of central Argentina. The heaviest rainfall (greater than 100 mm) was concentrated from eastern La Pampa to central Buenos Aires. Local flooding of fields was likely, and the wetness hampered fieldwork, including treatments for pests and diseases as well as harvesting of sunflowers and early maturing corn. Otherwise, rainfall totaled 25 to 100 mm as far north as the southern production areas of Cordoba, Santa Fe, and Entre Rios; in contrast, mostly dry weather prevailed from northern and central Cordoba to northern Entre Rios. Temperatures averaged near to slightly above normal (daytime highs ranging from the middle 20s (degrees C) in the south to the lower 30s farther north).*

**Russia and Ukraine** – *Sharply colder weather settled over the region, while unfavorable dryness persisted in parts of Ukraine. A strong early-week cold front was followed by temperatures up to 5°C below normal, with nighttime readings dropping as low as -7°C across central and eastern Ukraine as well as portions of Russia's Southern and North Caucasus Districts. Winter wheat in the coldest areas was likely in the tillering to early jointing stages of development, and consequently could withstand temperatures as low as -9°C.*

*However, more advanced winter grains — particularly in Ukraine — may have reached the mid- to late-jointing stages, and therefore be susceptible to freeze damage from readings of -4°C or lower. In addition, Ukraine producers are in need of moisture due to a drier-than-normal winter and early spring, with rainfall during the past week (5 mm or less) doing little to improve winter crop prospects.*

*Short-term dryness also reduced moisture reserves for small grains in Belarus and Moldova. In contrast, widespread rain and wet snow (5-25 mm liquid equivalent) maintained adequate soil moisture in Russia.*

***International Weekly Outlook:***

*International market is likely to trade steady to slightly firm due to recent loss. However in medium term market is expected to trade slightly down due to expectation of good wheat production.*