

Domestic Market Updates:

Given tight global stocks position, freeze damage, drought conditions in Canada, political uncertainty in the Ukraine and possibility of lower production in Australia due to impending El-Nino impact, wheat prices should remain relatively strong through June and into July in the global wheat market. It may disrupt normal supply chain and demand for Indian wheat may increase. At this point of time FoB of India is around \$278.37 as compare to \$295 of Ukraine.

Lower pace of procurement & arrival is due to delayed harvesting and cloudy weather condition prevalent during the month of April. As per market feedback government procurement would be lower than set target of 30-31 Million tonne for 2014-15 MY. Uttar Pradesh and Bihar would contribute more than last year.

Wheat export volume has decreased considerably as private trades are unable to export more than 80 to 90 thousand tonne per month despite better prices in the global market. Delayed harvesting, lower arrivals in mandis and higher prices in local market restrict volume from private trade. However, more export volume is expected in May.

The Inflation of wheat has decreased to 5.77% in the month of March as compare to 6.67% in the month of February. WPI has decreased to 218.2 in March as compare to 220.7 in the month of February.

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 is entering in last phase in Gujarat, M.P., Punjab and Haryana while it has gained momentum in Uttar Pradesh and Bihar now. Yield is better in East Uttar Pradesh and Bihar while it is slightly lower in Western U.P., as reported by farmers.

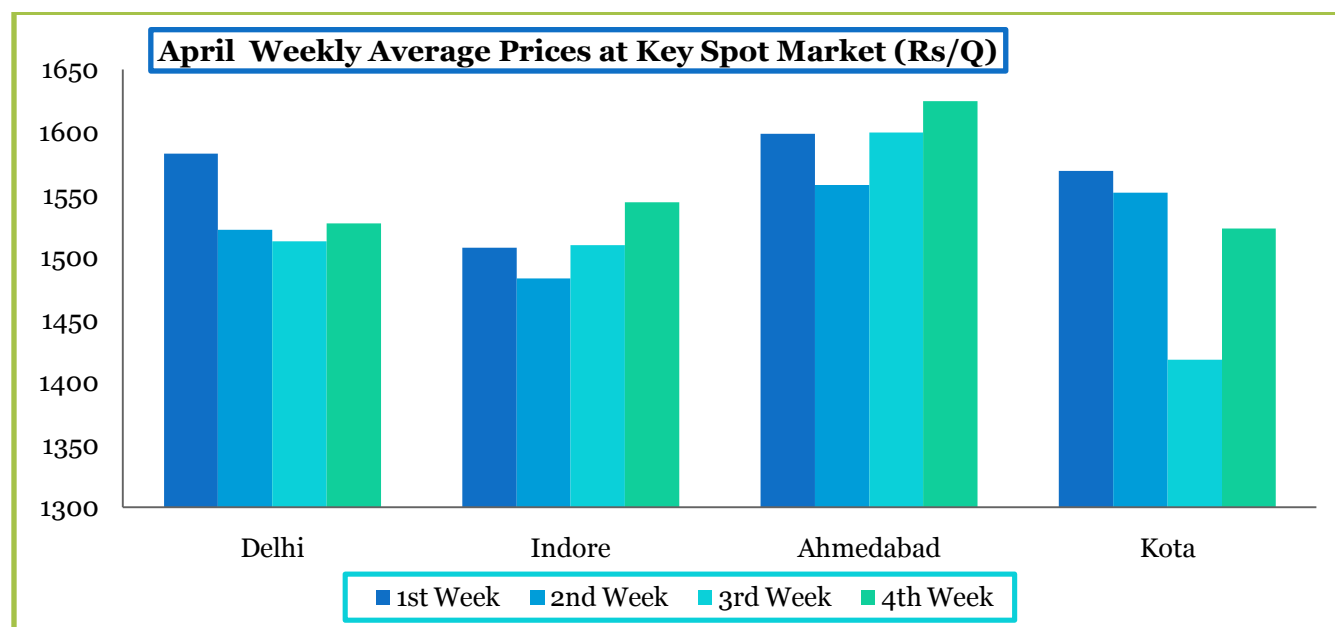
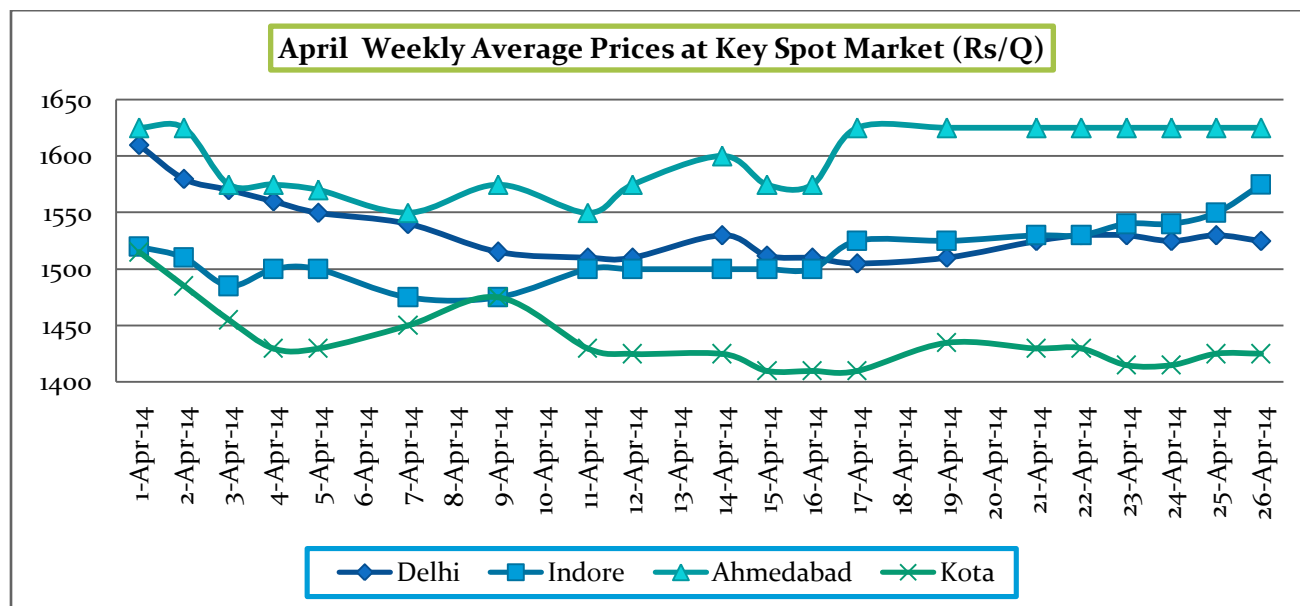
At production front trade estimates lower production against government estimate of 95.60 Million tonne (as per 2nd advance estimate). The main reason for lower production is mainly attributed to crop loss in parts of M.P., Punjab and Haryana due to untimely rains and hailstorm.

Wheat price is hovering in the range of Rs 1440-1470 M.P. & Rs1470-1475 in Rajasthan which is above MSP. Private exports are buying wheat at 275 -276 dollar /tonne, better export opportunity likely to continue till July when Black Sea region crop starts hitting the global market.

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 was recorded 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.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at many places over northeastern states.
- Rain/thundershowers would occur at isolated places over Odisha, Bihar, West Bengal & Sikkim and south peninsular India.
- Rain/thundershowers would occur at isolated places over western Himalayan region on 30th and at a few places thereafter.
- Weather would be mainly dry over rest of the country.



Key spot wheat mill delivery prices traded strong due to demand for export.

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)

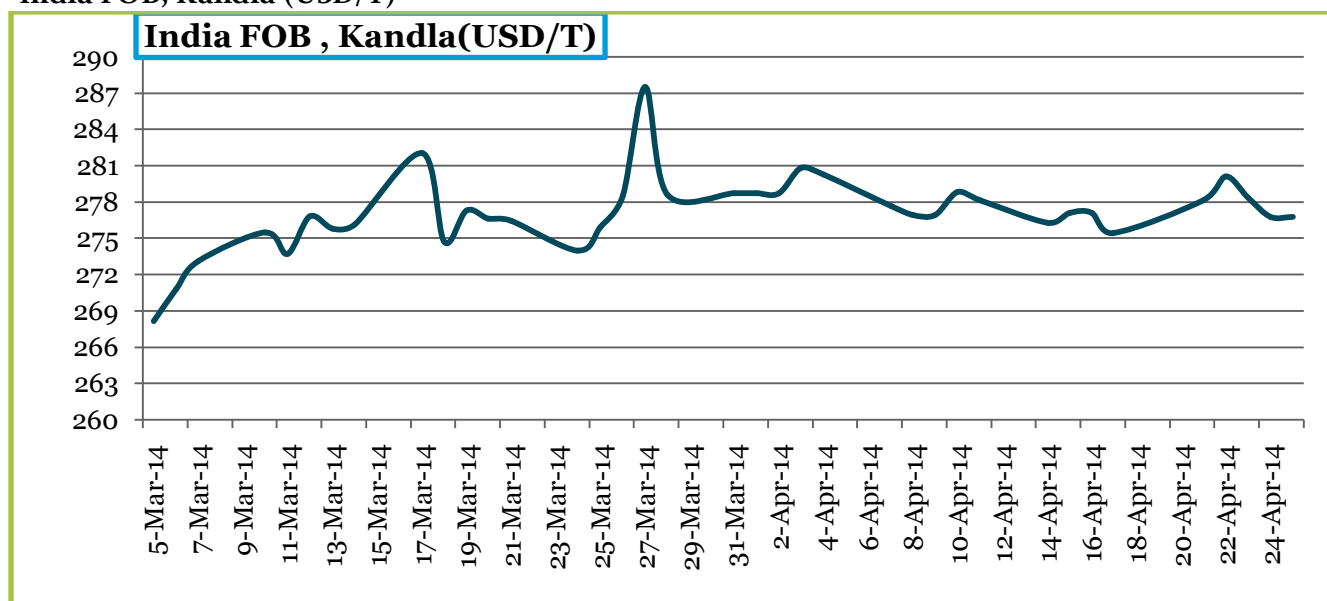
FOB Value as on 26.04.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15250	14250	14500	15000	14200	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)	16450	15900	16900	16950	16250	15700	19100
Indian FOB (USD/MT)	269.19	260.19	276.55	277.37	265.91	256.91	312.55
Insurance @ 0.1%	0.27	0.26	0.28	0.28	0.27	0.26	0.31
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	287	278	295	295	284	275	331
INR	61.11	61.11	61.11	61.11	61.11	61.11	61.11
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	23	32	15	15	26	35	-21

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	25 Apr , 2014	week ago 17 Apr, 2014	Month ago 25 Mar 14	Year ago 16 Apr 2013	Change over previous Year %
Indore	1544	1528	1553	1450	6.48
Bareilly	1555	NA	1735	1500	3.67
Delhi	1529	1508	1644	1430	6.92
Khanna	NA	NA	NA	1537	NA
Kanpur	1525	1510	1700	1425	7.02
Karnal	NA	NA	NA	1545	NA
Rajkot	1585	1580	1581	1530	3.59
Kota	1533	NA	1665	1425	7.58

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
			26.04.2014	19.04.2014	
Delhi					
	Lawrence Road	Mill Delivery	1525	1510	15
	Nazafgarh	Mill Delivery Loose	1470	1470	Unch
	Narella	Mill Delivery Loose	1510	1465	45
Gujarat	Rajkot	Mill Delivery	1625	1625	Unch
	Ahmedabad	Mill Delivery	1640	1620	20
M.P.	Bhopal	Mill Quality Loose	1500	1425	75
	Indore	Mill Delivery	1575	1525	50
Rajasthan	Kota	Mill Quality	1425	1435	-10
U.P.	Mathura`	Mill Quality Loose	1420	1450	-30
Punjab	Khanna	Mill Quality Loose	1410	1400	10
Haryana	Sirsa	Mill Delivery loose	1400	1400	Unch

*Old crop

Commodity: Wheat
Contract: May

Exchange: NCDEX
Expiry: 20th May, 2014

Wheat (Weekly Chart)



Technical Commentary:

- Candle stick chart depicts upward movement in the market.
- Rise in price and fall in O.I. indicates short covering.
- RSI is in neutral region.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	February	1520	1535	1543	1560	1570
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	February	Buy	1540	1549	1553	1535

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

Domestic Weekly Outlook: We expect wheat cash market to trade range bound due to arrival pressure in the major markets and price is unlikely to move down further due to export demand.

International Market Updates:

Canada's total wheat area could decrease 4.8% to 24.8 million acres in 2014. Specifically, seeding intentions for spring wheat show a 5.6% decline from 2013 to 18.0 million acres in 2014, while acreage of durum wheat is expected to decrease 2.6% to 4.8 million acres.

In Saskatchewan, intentions show spring wheat acreage falling to 8.6 million acres in 2014, down 9.2% from 2013. Durum wheat acreage is expected to fall 1.5% to 4.3 million acres.

Jordan's state grain buyer has purchased 150,000 tonnes of optional-origin wheat which is expected to be sourced from the Black Sea region, probably Romania for shipment in the first and second half of August at \$295.00 a tonne c&f, traders said. Another 50,000 tonnes was also purchased at \$295.00 a tonne c&f for shipment in the second half of July from Middle Eastern trader Sarles.

Indonesia wheat imports will rise 6 percent to 7.1 million metric tons this year, an industry group in Asia's second-largest importer said, above a previous forecast of between 6.5 million to 6.7 million tons for 2014.

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 import value 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.

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	24.04.14	Week Ago 16.04.14	Month Ago (Mar)	3 Months Ago (Jan)	Year Ago (Apr)
USA (Gulf)	SRW 2	4.63	294.75	291.30	295.74	267.97	281.70
France	FCW3	-11.77	286.21	294.30	286.25	264.39	324.40
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	NA
Australia	CWRS	NA	NA	294.00	285.00	247.00	290.82
Russia	SRW	5.74	285.50	293.50	281.00	291.50	270.00
Ukraine	SRW	5.51	287.00	295.00	282.50	294.00	272.00
Argentina	SRW	17.46	370.00	370.00	365.00	322.00	315.00

Global wheat market is expected to trade weak on higher wheat production estimate of 712.5 million tones and IGC latest estimate of 709 million tones may keep market under pressure in medium term.

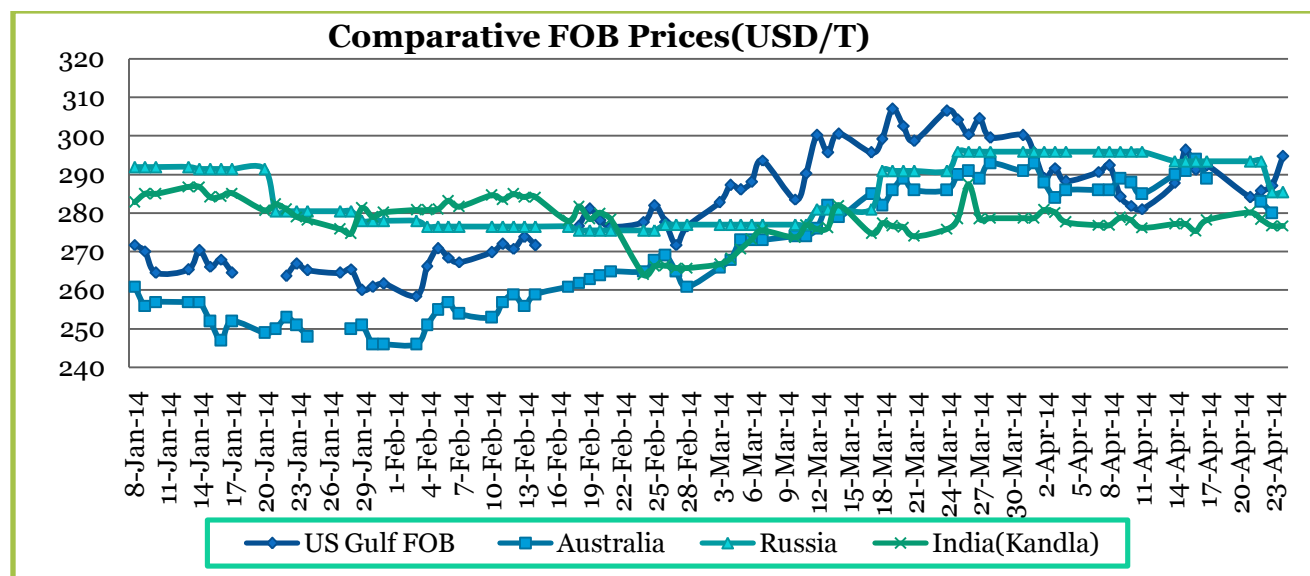
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 25.04.14 (USD/T)							
CONTRACT MONTH	25 Apr 14	Week ago (17 Apr 2014)	1 Month ago(24 Mar 14)	3 Month ago(24 Jan 14)	6 Month ago(24 Oct 13)	1 Year ago(24 Apr 13)	% Change over previous year
14-Mar	257.27	253.97	262.51	209.97	261.68	269.03	-4.37
14-May	260.21	256.81	263.33	211.99	258.65	270.31	-3.73
14-Jul	263.24	260.21	265.81	215.11	260.67	272.34	-3.34
14-Sep	268.38	264.9	269.12	219.98	264.25	275.18	-2.47
14-Dec	272.88	269.49	271.05	223.84	266.09	277.39	-1.62
15-Mar	274.53	271.23	269.67	223.93	265.91	277.48	-1.06

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 southern Queensland and northern New South Wales, mostly dry weather persisted throughout most of March, favoring maturation and harvesting of drought-stressed summer crops. Heavy rain near month's end halted fieldwork and caused local flooding, but provided a needed boost in topsoil moisture in advance of winter grain planting.*

Argentina *In March, periods of heavy rain maintained locally excessive levels of moisture for filling to maturing summer grains. In central Argentina, the bulk of the rain came during the first half of the month, with favorably drier conditions bringing some relief from the wetness. Rain continued throughout the month across the north. Most major agricultural districts recorded more than 100 mm for the month. The heaviest amounts (greater than 200 mm) were recorded in the northeast. The rain, which was untimely for open bolls, caused localized flooding along the Parana River. March temperatures averaged 1 to 2°C below normal, as cooler-than-normal weather during the early parts of the month were only partially offset by a late-month warming trend. In spite of the general coolness, no freezes were reported in the main agricultural areas.*

Russia and Ukraine – *In March, unseasonable warmth prevailed, with western dryness contrasting with favorably wet weather farther east. Across southern Russia, mild, showery weather eased winter crops out of dormancy. In contrast, drier-than-normal weather (locally less than 25 percent of normal) further reduced soil moisture for vegetative winter grains and oilseeds in Ukraine, which continued to develop at a much faster-than-normal pace due to unseasonable warmth. Meanwhile, dry weather encouraged small grain planting in Belarus and Moldova, as well as western portions of 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.

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