AGRIWATCH

Domestic Market Updates:

Wheat procurement volume has improved considerably in the last week of April despite sluggish start in the first fortnight.It may improve further once arrivals in Punjab increases. Till 30th April,FCI and other procurement agencies had procured 178 lakh tonne wheat.It is almost 30 percent lower than last year till date. Uttar Pradesh,Bihar and Punjab would contribute higher volume from Mid May as harvesting started at least three weeks delay. Govt. has set procurement target at 31 million tonne wheat this year.The target seems within reach as procurement in Punjab and Uttar Pradesh is yet to pick up.

Higher moisture level in Punjab and Haryana too has restricted procurement. However, with rising temperature moisture level would decrease and resultantly procurement pace would increase starting mid May. Arrivals have been primarily hit in Punjab that accounts for maximum procurement. According to FCI data, arrival in Punjab was only 0.97 million tonnes against 4.32 million tonnes last year. Accordingly, procurement in the state also slipped to 0.94 million tonnes against 4.30 million tones.

Uttar Pradesh and Bihar would contribute more wheat this year to the central pool kitty as production in both states are said to be satisfactory, slightly higher than last year. Harvesting in both the states continued and higher arrivals are expected from mid May. Reports from Bihar suggest that farmers are getting 11 to 12 qt. wheat per bigha this year against 10 to 10.5 qtl. last year. Average yield in western U.P. is normal while eastern U.P., as report suggests, may realized 5 to 7 percent higher yield this year.

States like M.P. and Rajasthan have not contributed as per expectation till now. Quality/crop loss in M.P., Rajasthan too remains a problem at procurement front. In Madhya Pradesh the arrival dropped from 4.25 million tonnes to 3.17 million tonne.

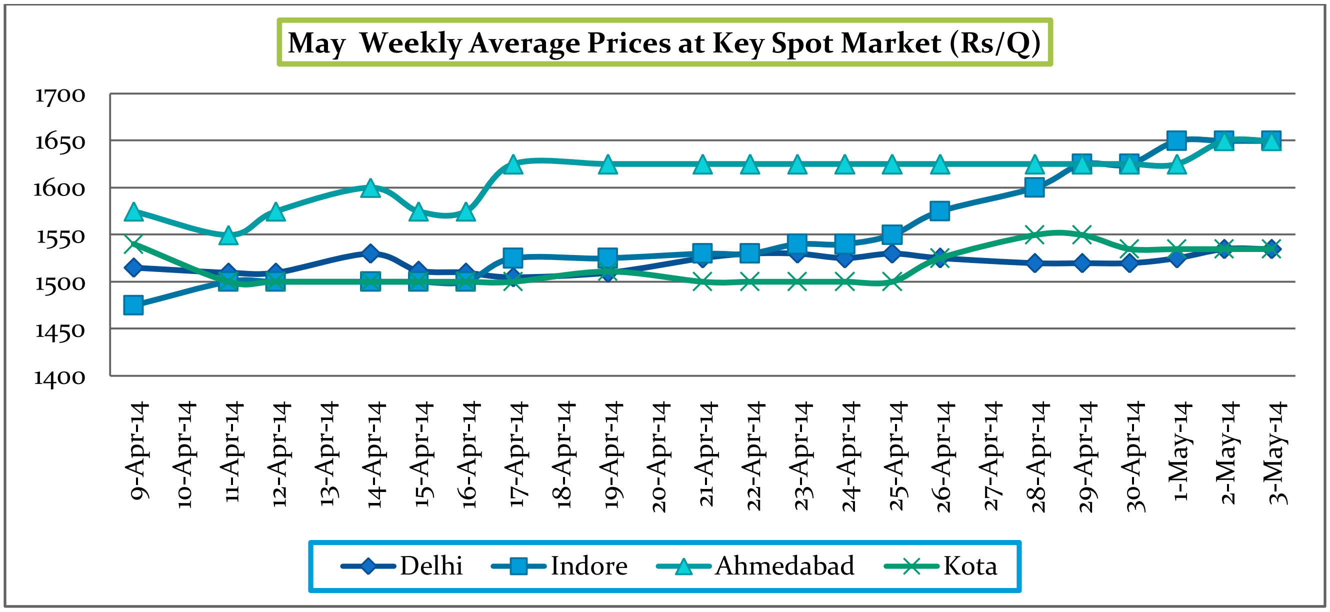
Ongoing tensions between Ukraine and Russia may increase Indian wheat prices. Ukraine supplies 6 percent of the world's wheat export market, so if the stress continues demand of Indian wheat may rise for export. At this time FoB of India is around $278.37 as compare to $295 of Ukraine.

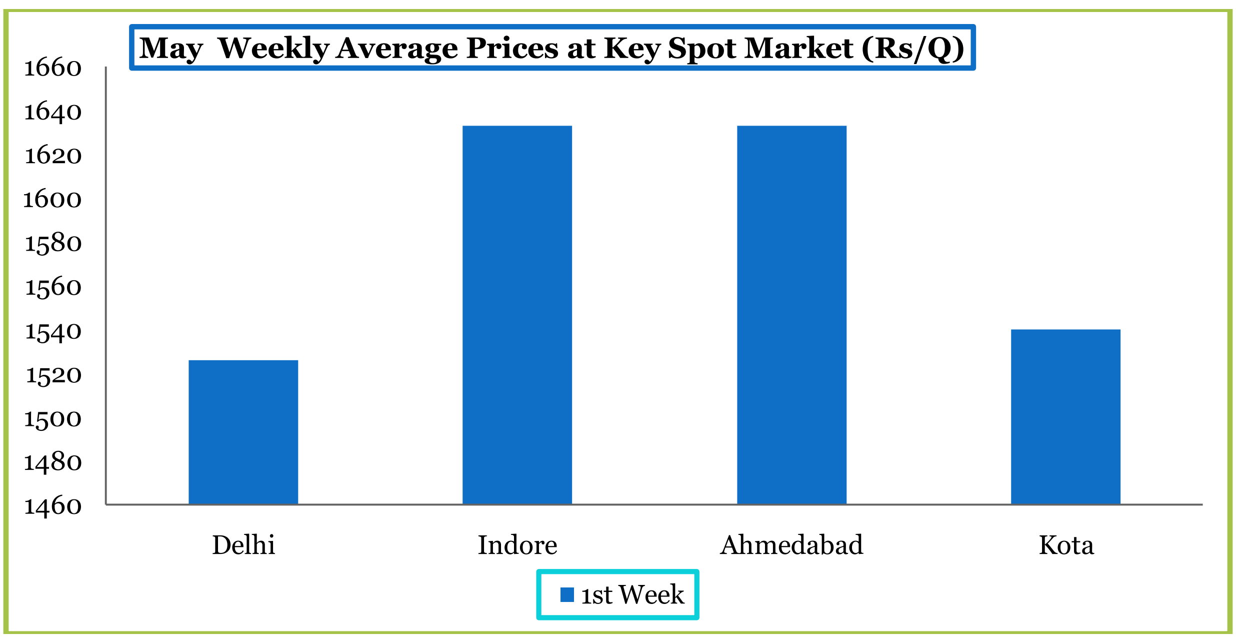
T**he Inflation of wheat has decreased to 5.77%** in the month of March as compare to 6.67% in the month of February.WPI has decreased to 218.2 in March as compare to 220.7 in the month of February.

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.

Weather Watch: (Source-IMD)

- Rain/thundershowers would occur at many places over northeastern states.
- Rain/thundershowers would occur at isolated places over western Himalayan region and east India.
- Rain/thundershowers would occur at many places over Karnataka and Kerala and at isolated places over rest parts of south peninsular India.
- 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)

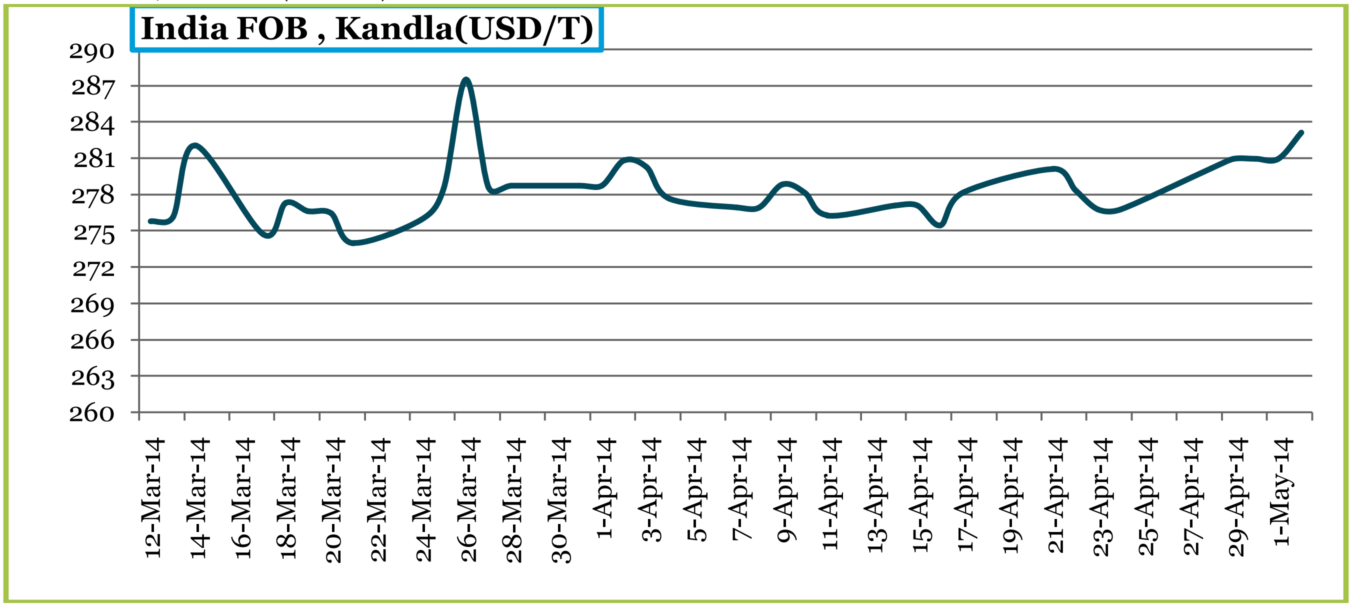
FOB Value as on 03.05.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15400	15200	14500	16000	14000	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)	16600	16850	16900	17950	16050	15700	19100
Indian FOB (USD/MT)	**275.66**	**279.81**	**280.64**	**298.07**	**266.52**	**260.71**	**317.17**
Insurance @ 0.1%	0.28	0.28	0.28	0.30	0.27	0.26	0.32
Freight Charges (US $/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	294	298	299	316	285	279	335
INR	60.22	60.22	60.22	60.22	60.22	60.22	60.22
Russian Wheat FOB (USD/MT)	**292**	**292**	**292**	**292**	**292**	**292**	**292**
Parity on FOB Basis (USD/MT)	**16**	**12**	**11**	**-6**	**25**	**31**	**-25**

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	02 May , 2014	week ago 25 Apr, 2014	Month ago 02 Apr 14	Year ago 30 Apr 2013	Change over previous Year %
Indore	1560	1544	1534	1452	**7.44**
Bareilly	1520	1555	1525	1500	**1.33**
Delhi	1535	1529	1606	1460	**5.14**
Khanna	NA	NA	NA	1535	**NA**
Kanpur	1535	1525	1540	1388	**10.59**
Karnal	NA	NA	NA	1544	**NA**
Rajkot	1595	1585	1580	1548	**3.04**
Kota	1577.5	1533	1575	1448	**8.94**

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 **Exchange: NCDEX**
Contract: May **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	1553	1570	1580
Intraday Trade Call*			**Call**	**Entry**	**T1**	**T2**	**SL**
Wheat	NCDEX	February	**Buy**	1550	1562	1568	1543

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

Domestic Weekly Outlook: **We expect wheat cash market to trade steady to firm due to good export demand.**

International Market Updates:

Egypt bought 110,000 tonnes of Ukraine and Russian wheat for shipment June 1-10 on 2nd May, 2014.The average price of the purchase was $302.56 a tonne on a cost and freight basis. GASC said it bought 55,000 tonnes of Ukraine wheat from Venus and 55,000 tonnes of Russian wheat from Glencore.

A group of animal feed makers in the Philippines has purchased 52,500 tonnes of Australian-origin feed wheat at $325.25/tonne C&F form June-July shipment.

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.

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	30.04.14	Week Ago 24.04.14	Month Ago (Mar)	3 Months Ago (Jan)	Year Ago (Apr)
USA (Gulf)	SRW 2	5.39	296.89	294.75	295.74	267.97	281.70
France	FCW3	-12.44	284.06	286.21	286.25	264.39	324.40
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	NA
Australia	CWRS	-0.28	290.00	NA	285.00	247.00	290.82
Russia	SRW	5.37	284.50	285.50	281.00	291.50	270.00
Ukraine	SRW	5.15	286.00	287.00	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.

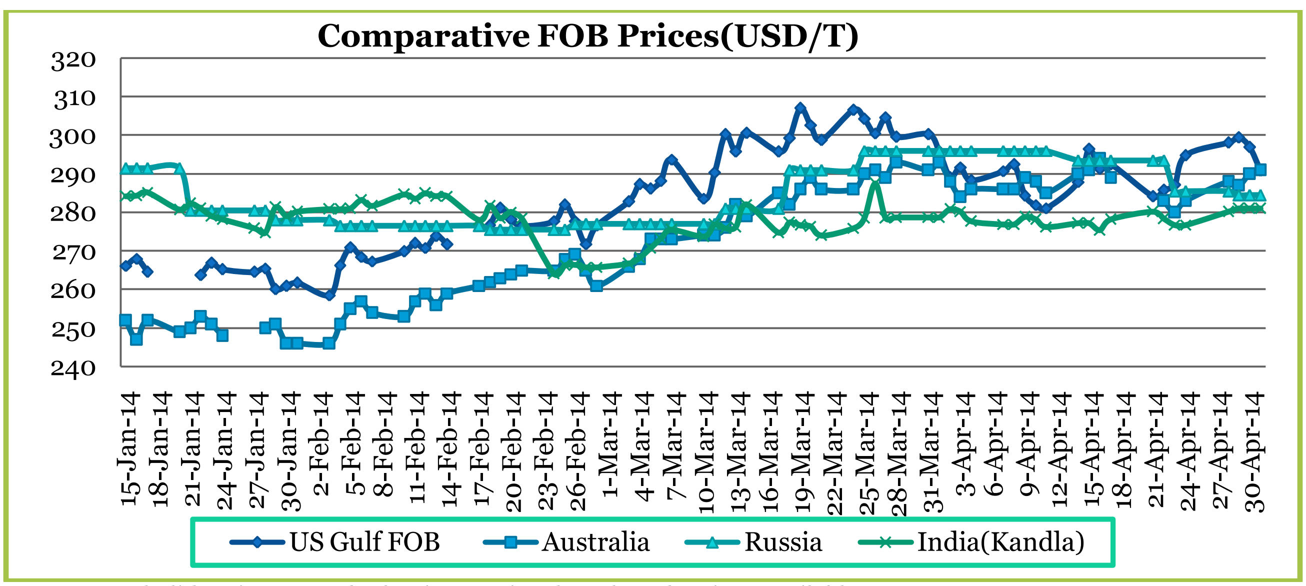
CBOT FUTURES CONTRACT:

CBOT Futures Prices: Date: 02.05.14 (USD/T)

CONTRACT MONTH	02 May 14	Week ago (25 Apr 2014)	1 Month ago(01 Apr 14)	3 Month ago(03 Feb 14)	6 Month ago(01 Nov 13)	1 Year ago(01 May 13)	% Change over previous year
14-Mar	260.03	257.27	251.76	207.86	252.13	279.87	-7.09
14-May	263.06	260.21	253.51	208.96	251.58	280.33	-6.16
14-Jul	266.09	263.24	256.35	219.89	254.79	281.98	-5.64
14-Sep	271.05	268.39	260.58	216.67	258.65	285.56	-5.08
14-Dec	275.27	272.89	263.70	220.44	260.76	287.67	-4.31
15-Mar	277.39	274.54	264.80	221.36	260.58	287.86	-3.64

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 and eastern portions of the wheat belt was warm. Winter wheat planting likely progressed in Queensland as well, but given the persistent dryness in southern parts of the State, some farmers may be waiting for additional rainfall before sowing winter crops. Similarly, winter grains are typically planted during May and June in southeastern Australia, but often widespread sowing does not commence until significant autumn rains arrive. Elsewhere, widespread, soaking rains (10-50 mm) overspread Western Australia, providing a welcomed boost in topsoil moisture in advance of wheat. Temperatures in the wheat belt were generally seasonable, averaging within about 1°C of normal.*

Argentina- *A second week of favorable dryness benefited maturing summer grains in key production areas, though fieldwork delays were apparent. Aside from a brief period of moderate showers (locally greater than 10 mm) in western production areas, dry weather dominated for much of the week, helping to improve field conditions after early April's soaking rain. Weekly temperatures ranged from 1 to 2°C above normal in western production areas to 1 to 2°C below normal in the east. Daytime highs generally ranged from the upper teens and lower 20s (degrees C) in southern production areas to the upper 20s in traditionally warmer northern farming areas. Nighttime lows briefly fell below freezing in sections of Buenos Aires, but no widespread freeze was recorded.*

Russia and Ukraine- *Warm, wet weather in western portions of the region contrasted with mostly sunny skies in the east. Moisture associated with a slow-moving storm system over the Black Sea produced showers and thunderstorms (2-25 mm) across Ukraine and southern Russia, with a heavier band of rain (25-70 mm) embedded over central and northwestern Ukraine. The rainfall improved soil moisture for vegetative winter wheat. Dry weather across central Russia maintained a rapid pace of fieldwork, including planting of spring grains and summer crops. A warm southerly flow persisted, allowing daytime highs to push into the lower and middle 20s (degrees C) across much of the region. However, colder weather arrived at week's end, with readings in northern portions of the Southern District reaching -5°C, possibly causing some localized burn back of more advanced winter wheat.*

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.