

Domestic Market Updates:

Wheat stock in central pool warehouses was registered at 34.40 million T on 01 May compared to 17.83 million T on 1st April 2014. The highest accumulated stock is in Punjab (8.51 million T) followed by Madhya Pradesh (6.34 million tonne) and Haryana (5.70 million Tonne) as on 01.05.2014.

According to IBIS (provisional data), export of wheat in the month of April was 4.27 Lakh tones which is around 48% less than last year at the same month, which was 8.32 Lakh tones in April 2013.

Wheat cash market is likely to trade steady to slightly firm in the month of MAY due to active buying by private exporters in the range of RS 1400 to Rs 1500 per qtl. from north and central Indian markets.

Global markets remain favourable for Indian wheat until Russian/Ukrainean wheat starts entering into the global market. New crop expected July onward from Black Sea Region. Malaysia, Korea, Yemen and Bangladesh remain the active buyers for India wheat. Private traders/exporters have struck export deals of around 1.5 to 2.0 million tonne in last one and a half month to be shipped during May to July.

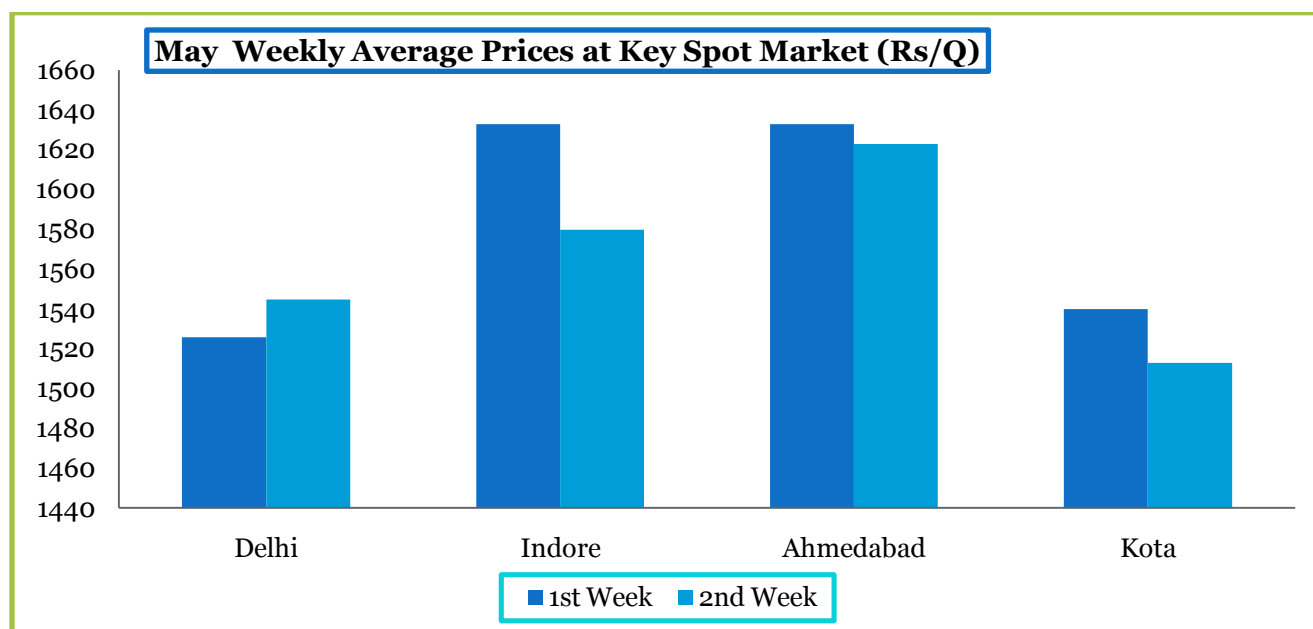
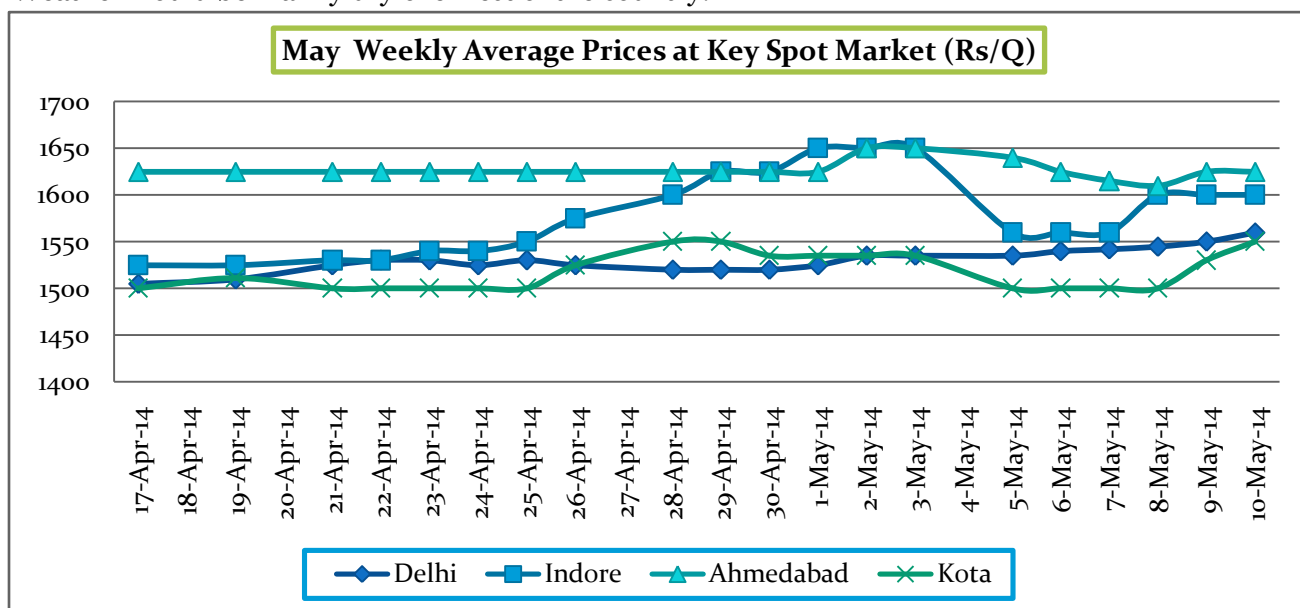
Active procurement by private exporters at higher than MSP price in various growing states has restricted govt.'s procurement. Govt. has procured over two million tonne wheat so far. However, target of 31 million tonne procurement seems a remote possibility given the slower pace of procurement. Govt. procurement may end up with 26/27 million tonne.

Demand for export is likely to continue till July and it would not allow market to decrease much from current level. Lackluster wheat quantity is higher this year due to untimely rains and it too would remain supportive for cash wheat market, especially for export varieties. Domestic demand -supply is normal and arrival would continue till the end of June. It will ensure ample supply for export and domestic demand.

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.

Weather Watch: (Source-IMD)

- Rain/thundershowers at many places would continue over northeastern states.
- Rain/thundershowers would occur over at a few places over western Himalayan region and at isolated places over adjoining plains of northwest India.
- Rain/thundershowers would occur at isolated places over south Peninsular India and at many places over Andaman & Nicobar Islands.
- Weather would be mainly dry over rest of the country.



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

STOCKS OF WHEAT IN CENTRAL POOL AS ON 01.05.2014:	STOCK WITH FCI	STOCK WITH STATE AGENCIES	TOTAL IN CENTRAL POOL
EAST ZONE	8.62	0.00	8.62
NORTH EAST ZONE	0.71	0.00	0.71
NORTH ZONE	70.64	104.38	175.02
SOUTH ZONE	8.50	0.00	8.50
WEST ZONE	14.94	61.58	76.52
TOTAL	115.79	228.24	344.03

(Figures in Lakh Tonnes)

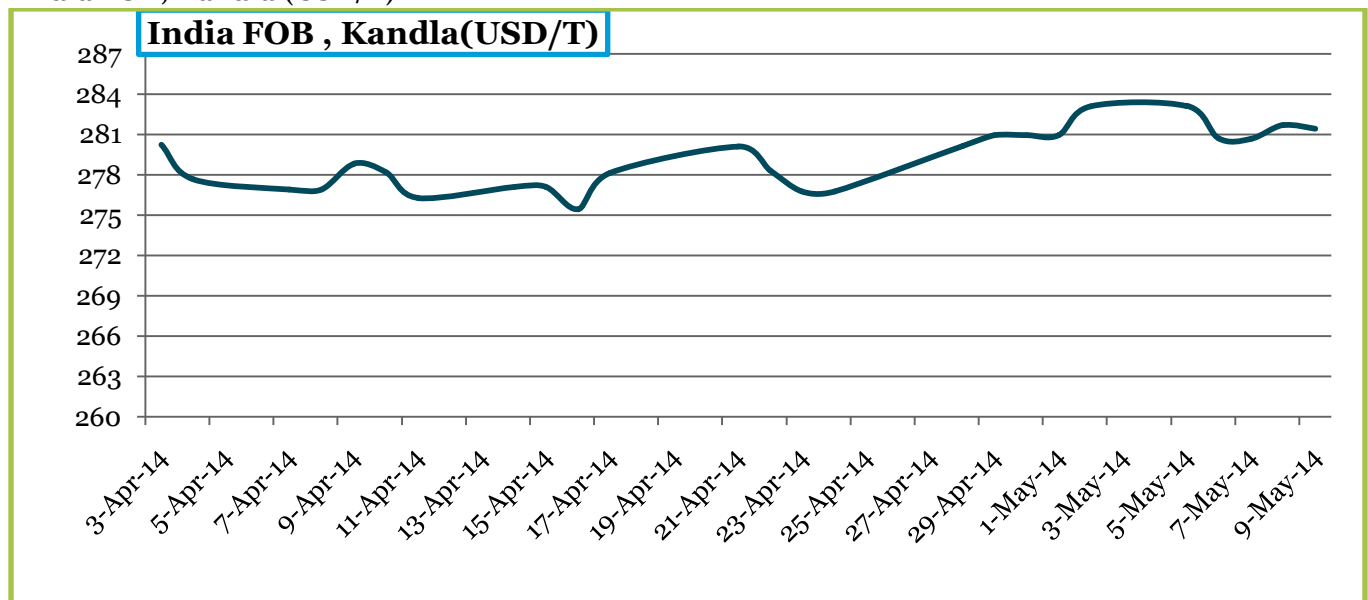
FOB Value as on 10.05.2014 from various destinations at Kandla:

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15300	14800	14500	15000	14500	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)	16500	16450	16900	16950	16550	15700	19100
Indian FOB (USD/MT)	274.77	273.94	281.43	282.26	275.60	261.45	318.07
Insurance @ 0.1%	0.27	0.27	0.28	0.28	0.28	0.26	0.32
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	293	292	299	300	294	279	336
INR	60.05	60.05	60.05	60.05	60.05	60.05	60.05
Russian Wheat FOB (USD/MT)	292	292	292	292	292	292	292
Parity on FOB Basis (USD/MT)	17	18	11	10	16	31	-26

Spot prices of wheat at NCDEX Delivery centers

NCDEX SPOT	09 May , 2014	week ago 02 May, 2014	Month ago 09 Apr 14	Year ago 09 May 2013	Change over previous Year %
Indore	1556	1560	1500	1471	5.78
Bareilly	1520	1520	1513	-	NA
Delhi	1552	1535	1518	1455	6.67
Khanna	NA	NA	NA	1535	NA
Kanpur	1540	1535	1500	1383	11.35
Karnal	NA	NA	NA	1563	NA
Rajkot	1600	1595	1550	1598	0.13
Kota	1593	1577.5	1575	1440	10.63

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 - 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 (As per IBIS)

Domestic Key Spot Market Price Comparison:

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			10.05.2014	03.05.2014	
Delhi					
	Lawrence Road	Mill Delivery	1560	1525	35
	Nazafgarh	Mill Delivery Loose	1500	1470	30
	Narella	Mill Delivery Loose	1540	1510	30
Gujarat	Rajkot	Mill Delivery	1625	1625	Unch
	Ahmedabad	Mill Delivery	1650	1640	10
M.P.	Bhopal	Mill Quality Loose	1500	1500	Unch
	Indore	Mill Delivery	1600	1575	25
Rajasthan	Kota	Mill Quality	1480	1425	55
U.P.	Mathura`	Mill Quality Loose	1450	1420	30
Punjab	Khanna	Mill Quality Loose	1410	1410	Unch
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	1545	1550	1561	1580	1585
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	February	Buy	1558	1568	1573	1552

*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:

Global 2014/15 wheat supplies are projected down less than 1 percent from 2013/14 as reduced beginning stocks and production in the United States offset higher foreign beginning stocks. World wheat production is projected at 697.0 million tons, down 2 percent from the 2013/14 record.

Lower area and a return to trend yields reduce production in Canada from last year's record high. In the Middle East, persistent dryness and early April freezes have severely damaged winter wheat crops from Turkey to northeastern Iran.

Global wheat consumption for 2014/15 is projected 1 percent lower than in 2013/14 with a reduction in world wheat feeding only partly offset by higher expected food use. Global import demand for 2014/15 is lower with reductions for China, Iran, Brazil, Mexico, and Algeria more than offsetting increases for the European Union and Turkey.

IGC has revised down Global Wheat production estimate from 709 million tonne(2013-14) to 697 million tonne in 2014-15.

The Lebanese government has purchased 30,000 tonnes of Ukrainian-origin milling wheat at \$309.53 a tonne c&f for shipment by June 2.

Jordan's state grain buyer has purchased 50,000 tonnes of optional-origin wheat which is expected to be sourced from the Black Sea region, probably Romania for shipment in the second half of August at \$309.50 a tonne c&f from Middle Eastern trader Sarles.

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.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2009-10	2010-11	2011-12	2012-13 Est.	2013-14 Forecast	Projection for 2013-14	
						27.03.2014	25.04.2014
Production	679	653	695	655	709	700	697
Trade	128	126	145	140	151	143	144
Consumptions	652	657	698	675	691	700	701
Carryover stocks	199	194	192	172	190	190	190
Y-O-Y change	27	-4	-3	-20	18		17
Major Export	79	73	68	48	55	55	54

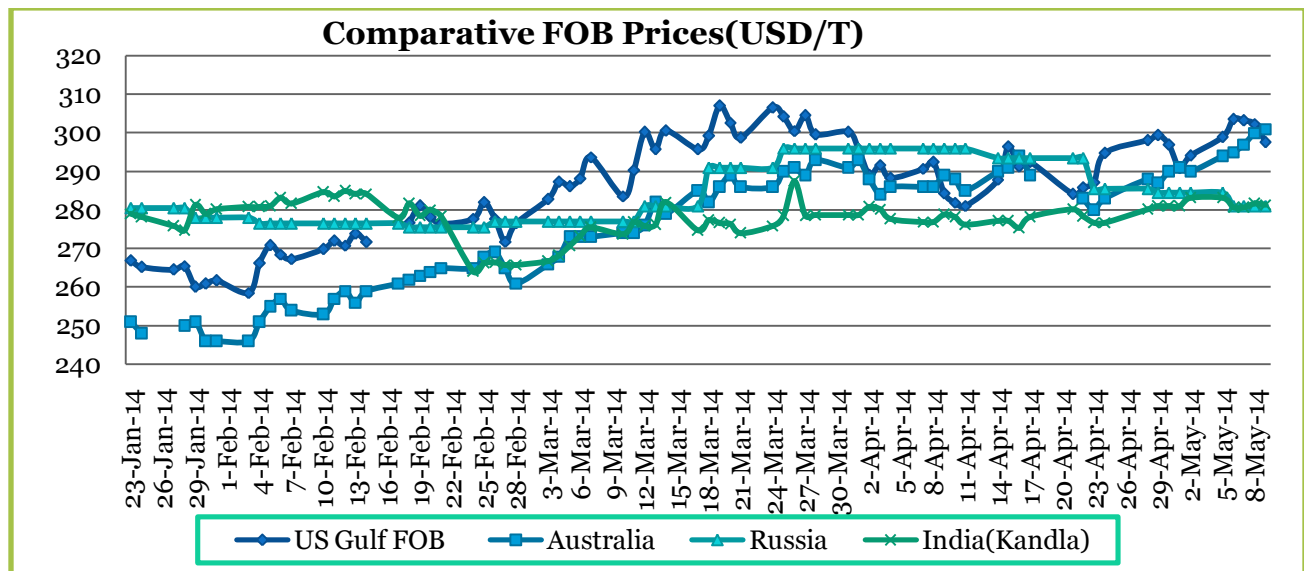
Indicative FOB Quotes:

	Variety	% Change over Prev. Year	07.05.14	Week Ago 30.04.14	Month Ago (Mar)	3 Months Ago (Jan)	Year Ago (Apr)
USA (Gulf)	SRW 2	7.63	303.20	296.89	295.74	267.97	281.70
France	FCW3	-14.52	277.30	284.06	286.25	264.39	324.40
United Kingdom	Feed wheat	NA	NA	NA	NA	NA	NA
Australia	CWRS	2.13	297.00	290.00	285.00	247.00	290.82
Russia	SRW	4.07	281.00	284.50	281.00	291.50	270.00
Ukraine	SRW	3.86	282.50	286.00	282.50	294.00	272.00
Argentina	SRW	NA	NA	370.00	365.00	322.00	315.00

Global wheat market is expected to trade weak on higher wheat production estimate of 697 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: 09.05.14 (USD/T)							
CONTRACT MONTH	09 May 14	Week ago (30 Apr 2014)	1 Month ago (07 Apr 14)	3 Month ago (07 Feb 14)	6 Month ago (07 Nov 13)	1 Year ago (07 May 13)	% Change over previous year
14-Mar	262.32	261.96	248.45	212.82	246.07	278.12	-5.68
14-May	265.45	265.08	251.12	214.47	245.61	278.76	-4.78
14-Jul	268.57	268.11	254.52	217.50	249.01	280.23	-4.16
14-Sep	273.80	272.89	259.48	222.19	253.60	283.91	-3.56
14-Dec	278.58	277.11	263.79	225.68	255.62	286.39	-2.73
15-Mar	280.14	278.95	266.64	226.32	255.71	286.76	-2.31

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.

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