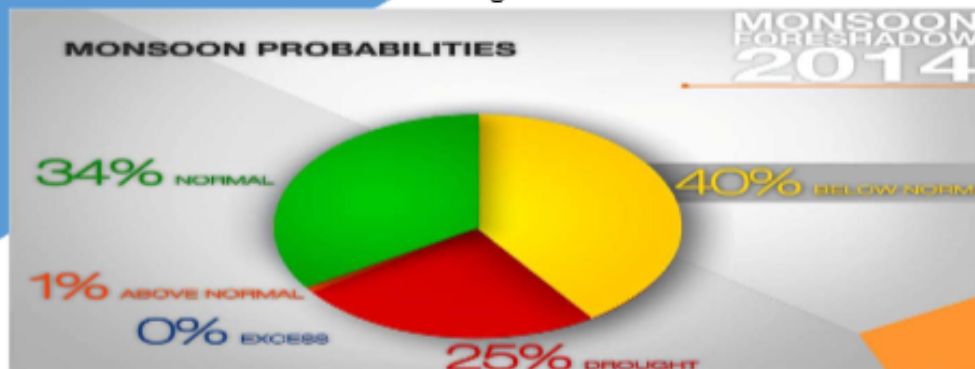
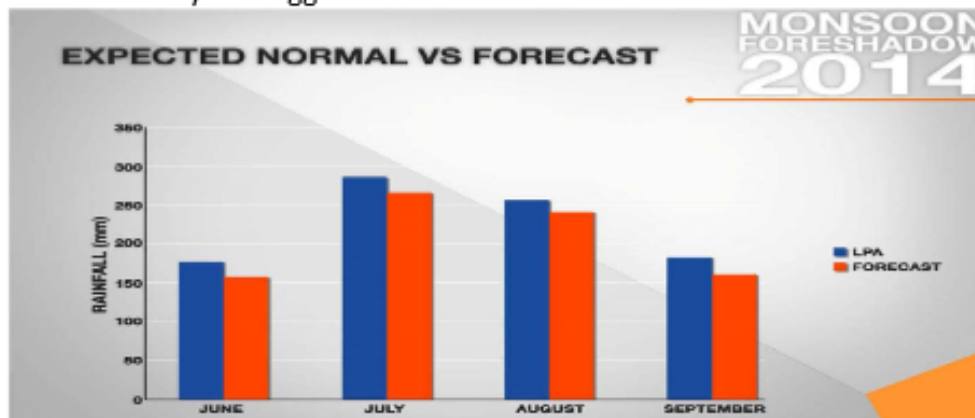


Below Normal Monsoon for India in 2014

As per latest reports released, it is expected that the coming Monsoon would be 'below normal'. It has been forecasted that the Monsoon will be at 94% (error margin of +/-4%) of the long period average (LPA) of 896 mm for the four-month period from June to September. This weakness in Monsoon could possibly be attributed to an evolving ENSO. The ENSO is a phenomenon wherein the Central and East Pacific ocean warms (El Niño) or cools (La Niña), in turn affecting the Monsoon.



In terms of geographical risk, peninsular India will be at less risk through June, July, August and September (JJAS). There seems to be weakness in majority subdivisions in Northwest India (Gujarat, Saurashtra, Kutch, Punjab, Rajasthan and Haryana) and West-Central India (East MP, Chattisgarh, West MP, Vidarbha, Marathwada, madhya Maharashtra, Konkan & Goa, North Interior Karnataka and Telangana) during the whole season. August is expected to be the best month among the four, although negative. It appears that onset may be staggered.



Reference: <http://www.skymetweather.com/content/2014/4/home-page-middle/skymet-foreshadows-below-normal-monsoon-for-india-in-2014>

Disclaimer: The views above expressed are purely based on personal opinion and may differ from future market trends. Any query regarding the updates in this mail or any other Agri Commodity can be reported to us via mail at the given contact details.



Opinion

Historically, India has not been hit by drought in 3 out of last 10 El Niño years. During drought in El Niño years, India has witnessed only 10% drop in production.

With the estimated level of deficits there are probabilities of lesser production for Paddy, Soyabean and Sugarcane. However, the retained moisture in the soil (extra rain in the current year) would reduce the impact of deficit of monsoon.