

### Wheat Domestic Fundamentals:

**The export parity of wheat is close to Rs. 1800 recently, and if the dollar stays stable, then the parity in exports will be good.** Export trade is being made at a rate of \$255 to \$265 per ton. In November-December, at the port of Gujarat, about five ships, including 1.25 lakh tonnes and other containers have been traded. In all, more than 1.50 lakh tonnes are estimate to be export. There has been good trade-in wheat for January as well, and three ships have traded only around 90 thousand tonnes, due to which such export is expected to be in the current condition.

**As per the latest update, the area under wheat has increased marginally by 3.63%** to 325.35 lakh hectares so far in the ongoing 2020-21 Rabi season from 313.95 lakh hectares in the year-ago same period. The overall trend of Rabi sowing progress is excellent, with increased area coverage recorded due to favourable weather. Lesser area reported in states like Punjab, Rajasthan, Uttar Pradesh and Karnataka.

**As per trade source, Wheat prices fell in Indore due to a rise in arrivals and weak demand,** traders said. Arrivals were pegged at 5,000 bags (1 bag = 100 kg), up from 4,000 bags on Thursday. Wheat prices in Jaipur, too, declined as arrivals rose, traders said. Arrivals were pegged at 2,000 bags, against 1,700 bags on Thursday. However, the outlook is bullish as bulk demand is expected to pick up due to rising exports and a recovery in the economy, which might lead to more restaurants opening up in the coming days, traders said.

**All India's weekly average prices decreased by 0.67 percent to Rs. 1833.98** per quintal during the week ended 31<sup>st</sup> Dec 2020. Wheat average prices were ruling at Rs 2228.91 per quintal during 24<sup>th</sup> – 31<sup>st</sup> Dec 2019. The wheat prices are unlikely to drop and is going to be stable in coming weeks due to ample availability despite slowed demand from flour mills. The new wheat from Saurashtra region (Gujarat) will be coming to the mandis at the end of next month

**Wheat WPI has increased from 147.4 in October -2020 to 147.9 in November-2020.** Monthly wheat inflation has increased by 0.33 percent in November-2020 compared to previous month.

**Indian traders are expected to export around 40,000 tonnes of wheat to Bangladesh at \$210-\$220** per tonnes FOB, market sources said. The exports may take place in a few days. More exports to Bangladesh are likely this financial year as prices of wheat in India have become more competitive in the past few months. Last month, Indian traders signed deals with their counterparts in Bangladesh to export around 200,000 tonnes of wheat. High export from India will give support to domestic price.

**As per trade sources, India has exported around 1.85 lakh tonnes in the month of November-2020** at an average FOB of \$468.24 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Nepal and UAE. Exports are likely to be at higher side as other countries are providing wheat at higher prices. High export will going to support the domestic market in near term.

### International Market Update:

**The weather is currently unfavourable in the global market.** Planting in Australia has also decreased, and the weather is not supporting either. Lockdown is in force throughout Europe. Russia is implementing a tax on exports. In such a situation, the wheat crop is less in the whole world, due to which the export price of wheat is being traded at the highest level of six years since 2014.

**Egypt held a tender; they were trying to catch a gap between the** previous tender and Feb 15 (Russian quota and duty), but Russian sellers include the duty to prices, so became uncompetitive- Egypt bought Ukrainian and Romanian cargoes.

**The Rosario Board of Trade (BCR) forecasts total Argentinian wheat production** will fall 15% on the year to 16.5 MMT, the second lowest output in a decade on extreme drought. The Buenos Aires Grain Exchange (BAGE) predicts production will total 16.9 MMT and USDA pegs the 2020/21 harvest at 18.0 MMT.

**FranceAgriMer, France's agriculture office, reported the country's winter wheat** farmers made considerable progress last week, 66% of France's soft (non-durum) wheat is now in the ground, up from last week's 45% and in line with the five-year average.

**Ukraine** As of Dec. 16, total Ukrainian grain exports are down 14% from this time last year at 23.8 MMT. 12.2 MMT of which is wheat. In October, Ukraine implemented a 17.5 MMT wheat export quota for the 2020/21 marketing year and current sales account for 70% of the quota.

| Wheat Futures Contract: NCDEX Price |     |      |      |     |       |        | Date: 02.01.2021 at 5:00 PM |    |                       |
|-------------------------------------|-----|------|------|-----|-------|--------|-----------------------------|----|-----------------------|
| Contract Month                      | +/- | Open | High | Low | Close | Volume | Ch. From previous day       | OI | Ch. From previous day |
| 21-Jan                              | 3   | -    | -    | -   | 1752  |        |                             |    |                       |
| 21-Feb                              | 3   | -    | -    | -   | 1757  |        |                             |    |                       |
| 21-Mar                              | 3   | -    | -    | -   | 1762  |        |                             |    |                       |

| Spread       | Jan-21 | Feb-21 | Mar-21 |
|--------------|--------|--------|--------|
| Spot Narella | -      | -      | -      |
| 20-Aug       | -      | 0      | -      |
| 20-Sep       | -      | -      | 7      |
| 20-Oct       | -      | -      | -      |

| Stocks | Demat     | In-Process | Total     | EDD       |
|--------|-----------|------------|-----------|-----------|
|        | 23.Jan.21 | 23.Feb.21  | 23.Mar.21 | 20.Apr.21 |
| Delhi  | -         | -          | -         | -         |
| Itarsi | -         | -          | -         | -         |
| Kanpur | -         | -          | -         | -         |
| Kota   | -         | -          | -         | -         |

**Wheat Daily Prices and Arrivals on 02<sup>nd</sup> Jan-2021**

| Centre    | Market             | Variety             | Prices (Rs/Qtl) |          | Change |
|-----------|--------------------|---------------------|-----------------|----------|--------|
|           |                    |                     | 2-Jan-21        | 1-Jan-21 |        |
| Delhi     | Lawrence Road      | Mill Delivery       | 1840            | 1850     | -10    |
|           | Narella            | Mill Quality Loose  | 1720            | 1720     | Unch   |
|           | Nazafgarh          | Mill Quality Loose  | 1700            | 1700     | Unch   |
| Gujarat   | Rajkot             | Mill Delivery       | 1735            | 1735     | Unch   |
|           | Ahmedabad          | Mill Delivery       | 1810            | 1810     | Unch   |
|           | Surat              | Mill Delivery       | 1875            | 1875     | Unch   |
|           | Dhrol              | Mill Quality Loose  | NR              | 1640     | -      |
| M.P.      | Indore             | Mill Delivery       | 1640            | 1640     | Unch   |
|           | Bhopal             | Mill Quality Loose  | 1615            | 1600     | 15     |
| Rajasthan | Kota               | Mill Quality Loose  | 1630            | 1625     | 5      |
|           |                    | Mill Delivery       | 1770            | 1775     | -5     |
| U.P.      | Kanpur             | Mill Delivery       | 1670            | 1660     | 10     |
|           | Mathura            | Mill Quality Loose  | 1625            | 1620     | 5      |
|           | Kosi               | Mill Quality Loose  | 1630            | 1640     | -10    |
|           | Hathras            | Mill Quality Loose  | 1610            | 1590     | 20     |
|           | Aligarh            | Mill Quality Loose  | 1630            | 1620     | 10     |
| Punjab    | Khanna             | Mill Quality Loose  | 1600            | 1600     | Unch   |
|           | Ludhiana (Jagraon) | Mill Delivery       | NA              | NA       | -      |
| Haryana   | Sirsa              | Mill Delivery loose | 1750            | 1750     | Unch   |
|           | Hodal              | Mill Delivery       | NA              | NA       | -      |
|           | Bhiwani            | Mill Quality Loose  | 1750            | 1750     | Unch   |
|           | Karnal             | Mill Delivery       | NA              | NA       | -      |

|            |                               |                    |      |      |      |
|------------|-------------------------------|--------------------|------|------|------|
|            | Panipat                       | Mill Quality Loose | NA   | NA   | -    |
| Tamil Nadu | Chennai                       | Mill Quality       | 1980 | 1980 | Unch |
|            | Madurai                       | Mill Quality       | 2037 | 2037 | Unch |
|            | Coimbatore                    | Mill Quality       | 2037 | 2037 | Unch |
| Bihar      | Khagariya                     | Mill Delivery      | 1880 | 1880 | Unch |
|            | Muzaffarpur                   | Mill Delivery      | 1670 | 1670 | Unch |
| FOR        | Kandla (Rajasthan-Rajkot)     | Mill Quality       | NA   | NA   | -    |
|            | Gandhidham (Rajasthan-Rajkot) | Mill Quality       | NA   | NA   | -    |

| Centre    | Market | Variety      | Prices (Rs/Qtl) |          | Change |
|-----------|--------|--------------|-----------------|----------|--------|
|           |        |              | 2-Jan-21        | 1-Jan-21 |        |
| Gujarat   | Rajkot | Lokwan       | 1850            | 1850     | Unch   |
| M.P.      | Indore | Lokwan       | 1800            | 1800     | Unch   |
|           | Bhopal | Lokwan       | 1800            | 1800     | Unch   |
|           | Bina   | Sarbati 306  | 2500            | 2500     | Unch   |
| Rajasthan | Kota   | Lokwan Bilty | 1900            | 1950     | -50    |
|           | Baran  | Lokwan       | NA              | NA       | -      |

Wheat Arrivals in Key Centers:

| Centre    | Market            | Variety            | Arrivals (Bags/Qtl) |          | Change |
|-----------|-------------------|--------------------|---------------------|----------|--------|
|           |                   |                    | 2-Jan-21            | 1-Jan-21 |        |
| Delhi     | Lawrence Road     | Mill Delivery      | 5000                | 10000    | -5000  |
|           | Narella           | Mill Quality Loose | 200                 | 500      | -300   |
|           | Nazafgarh         | Mill Quality Loose | 100                 | 200      | -100   |
| Gujarat   | Rajkot            | Mill Quality Loose | 1000                | 900      | 100    |
|           | Dhrol             | Mill Quality Loose | NR                  | 56       | -      |
| M.P.      | Indore            | Mill Quality Loose | 2500                | 4000     | -1500  |
| Rajasthan | Kota              | Mill Quality       | 4000                | 4000     | Unch   |
| U.P.      | Kanpur            | Mill Quality Loose | 400                 | 600      | -200   |
|           | Mathura           | Mill Quality Loose | 400                 | 300      | 100    |
|           | Kosi              | Mill Quality Loose | 150                 | 200      | -50    |
|           | Hathras           | Mill Quality Loose | 200                 | 200      | Unch   |
|           | Aligarh           | Mill Quality Loose | 300                 | 250      | 50     |
| Punjab    | Khanna            | Mill Quality Loose | 400                 | 400      | Unch   |
|           | (Ludhiana)Jagraon | Mill Quality Loose | NA                  | NA       | -      |
| Haryana   | Sirsa             | Mill Quality Loose | 200                 | 200      | Unch   |
|           | Hodal             | Mill Quality Loose | 70                  | 150      | -80    |
|           | Bhiwani           | Mill Quality Loose | 300                 | 600      | -300   |
|           | Karnal            | Mill Delivery      | NA                  | NA       | -      |
|           | Panipat           | Mill Quality Loose | NA                  | NA       | -      |

| Wheat Products Delhi         | 2-Jan-21 | 1-Jan-21 | Change |
|------------------------------|----------|----------|--------|
| Atta (50kg) Ordinary         | 1030     | 1030     | Unch   |
| Maida Grade 1 (50KG)         | NA       | NA       | -      |
| Suji (50kg)                  | 1285     | 1285     | Unch   |
| Chokar (50 kg)               | NA       | NA       | -      |
| Chokar (34 kg)               | NA       | NA       | -      |
| Chakki Atta (50kg)           | 1050     | 1050     | Unch   |
| Chakki Atta (50kg) Special   | NA       | NA       | -      |
| Chakki Atta (90kg) Superfine | NA       | NA       | -      |
| Chakki Atta (50kg) Superfine | NA       | NA       | -      |

**Wheat (CBOT) Future Price: 30.12.2020**

| Contract Month | Open   | High   | Low    | Close  | Change  |
|----------------|--------|--------|--------|--------|---------|
| <b>Mar-21</b>  | 620.00 | 643.50 | 614.00 | 640.75 | +22.25↑ |
| <b>May-21</b>  | 619.25 | 641.25 | 615.00 | 638.50 | +19.25↑ |
| <b>Jul-21</b>  | 612.75 | 629.50 | 608.50 | 627.25 | +15.50↑ |
| <b>Sep-21</b>  | 615.00 | 631.00 | 610.75 | 629.00 | +14.75↑ |
| <b>Dec-21</b>  | 623.75 | 637.75 | 618.75 | 635.75 | +14.00↑ |
| <b>Mar-22</b>  | 626.25 | 643.50 | 625.00 | 641.50 | +13.25↑ |

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