

Wheat Domestic Fundamentals:

As per the latest update on 07 January 2021, the area under wheat has increased marginally by 2.59% to 335.46 lakh hectares so far in the ongoing 2020-21 Rabi season from 326.75 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.

Prices of wheat continued to rise in the mandis of major producing states except for Delhi on Friday. On Lawrence Road, Delhi, mill quality wheat's price decreased by Rs 15 per quintal from 1965 to Rs 1950 per quintal, while the daily arrival was 2000 bags. There is no rain in the states of North India today, but the weather is still bad. In Hyderabad, the wheat price of Rajasthan line has been increased from Rs 2140 to Rs 2150, UP line to Rs 2100 to Rs 2060 per quintal of Punjab line, and has increased by Rs 10 to 50 per quintal. The price of mill quality wheat in Bangalore today remained steady at Rs 2155 to Rs 2255 per quintal, while in Visakhapatnam, it was Rs 2150 per quintal.

As per market sources, wheat stock in the central pool as of 1st December'20 stood at 367.54 lakh tonnes down by 8.79% compared to last month. This quantity is higher by around 4.56% compared to last year for the same month. The government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in the open market and through high exports.

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:

SovEcon has further slashed its 2020-21 Russian wheat export forecast, which could mean rising prices. The Russian agriculture consultancy firm is now predicting 36.3 million tonnes of exports, down from its November forecast of 40.8 million tonnes. That is well below the U.S. Department of Agriculture's December estimate of 40 million tonnes. SovEcon's drastic reduction is in response to Russia's announcement that it is imposing an export tax of 25 euros (US\$30.63) per tonne on Russian wheat between February 15 and June 30. SovEcon initially thought the tax would slice exports by two to three million tonnes.

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.

US wheat futures edged higher on Tuesday, as prices rebounded from a 3% decline marked in the previous session,

Wheat Futures Contract: NCDEX Price							Date: 08.01.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Jan	-	-	-	-	1821				
21-Feb	-	-	-	-	1826				
21-Mar	-	-	-	-	1831				

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 08th Jan-2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jan-21	8-Jan-21	
Delhi	Lawrence Road	Mill Delivery	1965	1950	15
	Narella	Mill Quality Loose	1825	1750	75
	Nazafgarh	Mill Quality Loose	1800	1750	50
Gujarat	Rajkot	Mill Delivery	1820	1825	-5
	Ahmedabad	Mill Delivery	1945	1940	5
	Surat	Mill Delivery	2000	2000	Unch
	Dhrol	Mill Quality Loose	NR	1810	-
M.P.	Indore	Mill Delivery	1900	1900	Unch
	Bhopal	Mill Quality Loose	1700	1700	Unch
Rajasthan	Kota	Mill Quality Loose	1770	1780	-10
		Mill Delivery	1895	1900	-5
U.P.	Kanpur	Mill Delivery	1710	1715	-5
	Mathura	Mill Quality Loose	1650	1630	20
	Kosi	Mill Quality Loose	1625	1620	5
	Hathras	Mill Quality Loose	1740	1740	Unch
	Aligarh	Mill Quality Loose	1725	1740	-15
Punjab	Khanna	Mill Quality Loose	1650	1650	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1775	1775	Unch
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1790	1790	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	1900	1900	Unch
	Muzaffarpur	Mill Delivery	1800	1780	20
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			9-Jan-21	8-Jan-21	
Gujarat	Rajkot	Lokwan	1900	1900	Unch
M.P.	Indore	Lokwan	2000	2000	Unch
	Bhopal	Lokwan	2000	2000	Unch
	Bina	Sarbati 306	2600	2600	Unch
Rajasthan	Kota	Lokwan Bilty	2000	2000	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			9-Jan-21	8-Jan-21	
Delhi	Lawrence Road	Mill Delivery	6000	7000	-1000
	Narella	Mill Quality Loose	200	100	100
	Nazafgarh	Mill Quality Loose	100	50	50
Gujarat	Rajkot	Mill Quality Loose	1000	900	100
	Dhrol	Mill Quality Loose	NR	43	-
M.P.	Indore	Mill Quality Loose	2000	2000	Unch
Rajasthan	Kota	Mill Quality	4000	4000	Unch
U.P.	Kanpur	Mill Quality Loose	800	600	200
	Mathura	Mill Quality Loose	100	300	-200
	Kosi	Mill Quality Loose	150	250	-100
	Hathras	Mill Quality Loose	200	250	-50
	Aligarh	Mill Quality Loose	300	200	100
Punjab	Khanna	Mill Quality Loose	400	400	Unch
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	300	300	Unch
	Hodal	Mill Quality Loose	60	60	Unch
	Bhiwani	Mill Quality Loose	300	500	-200
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	9-Jan-21	8-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: 08.01.2021

Contract Month	Open	High	Low	Close	Change
Mar-21	644.75	649.50	634.00	638.75	-3.50↓
May-21	646.25	650.00	635.00	640.75	-2.50↓
Jul-21	634.75	639.00	625.50	631.75	-2.25↓
Sep-21	638.00	641.00	628.50	634.00	-2.25↓
Dec-21	645.25	648.25	636.50	641.75	-2.00↓
Mar-22	648.75	654.50	642.75	648.25	-2.00↓

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