

Wheat Domestic Fundamentals:

Weak tone was witnessed in Wheat physical markets on Monday in India. Wheat prices were lower at Delhi, Uttar Pradesh, Madhya Pradesh and Punjab. Prices were firm in Delhi at Rs. 1980/q.

As per trade sources, India has exported around 1.54 lakh tonnes in the month of December-2020 at an average FOB of \$238.06 per tonnes, higher this year and the major destinations were Bangladesh, Sri Lanka, Nepal and Malaysia. 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.

The US Department of Agriculture (USDA) on Tuesday upped its forecast of Indian wheat exports for 2020-21 (July-June) to 1.8 million tonnes (MMT), as against its earlier estimate of one MMT. That would be the highest ever in the last six years.

As per market sources, wheat stock in the central pool as of 1st January'21 stood at 342.90 lakh tonnes down by 7.18% compared to last month. This quantity is lower by around 4.35% 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.

There is a widespread export demand for Indian wheat recently. By the end of January, if exports are taken into consideration, then the export of 1 million tonnes of wheat will be done this year. After March, the new season will start, then there is a possibility of exporting about 2 million tonnes of wheat, most of which is expected from Gujarat.

As per the latest update, the area under wheat has increased marginally by 1.93% to 337.14 lakh hectares so far in the ongoing 2020-21 Rabi season from 330.60 lakh hectares year-ago same period. Rabi sowing progress's overall trend is excellent, with increased area coverage recorded due to favourable weather. Thus, 6.55 lakh ha more area has been covered compared to last year.

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.

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.

International Market Update:

Bangladesh's state grains buyer has issued another international tender to purchase 50,000 tonnes of milling wheat, traders said on Monday. The deadline for submission of price offers is Jan. 25, they said. Bangladesh has issued a series of wheat tenders in past weeks. A previous tender from Bangladesh for 50,000 tonnes of wheat had closed on Jan. 4. Other tenders also for 50,000 tonnes of wheat close on Jan. 13 and Jan. 18.

Russian wheat export prices have risen since late 2020 ahead of an upcoming wheat export tax, analysts at the IKAR consultancy said on Monday. One of the world's largest wheat exporters, Russia aims to stabilise food prices with a grain export quota and a wheat export tax from Feb. 15 to June 30. Wheat with 12.5% protein loading from Black Sea ports for supply before mid-February was at \$275 a tonne on a free-on-board (FOB) basis at the end of last week, up \$13 from the end of 2020, IKAR said in a note.

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.

Wheat Futures Contract: NCDEX Price							Date: 18.01.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Jan	-	-	-	-	1851				
21-Feb	-	-	-	-	1857				
21-Mar	-	-	-	-	1862				

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 18th Jan-2021

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Jan-21	16-Jan-21	
Delhi	Lawrence Road	Mill Delivery	1980	1995	-15
	Narella	Mill Quality Loose	1840	1830	10
	Nazafgarh	Mill Quality Loose	1815	1810	5
Gujarat	Rajkot	Mill Delivery	1925	1880	45
	Ahmedabad	Mill Delivery	1985	1965	20
	Surat	Mill Delivery	2060	2050	10
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Delivery	1900	1920	-20
	Bhopal	Mill Quality Loose	1725	1750	-25
Rajasthan	Kota	Mill Quality Loose	1820	1875	-55
		Mill Delivery	1945	2000	-55
U.P.	Kanpur	Mill Delivery	1800	1800	Unch
	Mathura	Mill Quality Loose	1775	1700	75
	Kosi	Mill Quality Loose	1750	1750	Unch
	Hathras	Mill Quality Loose	1740	1775	-35
	Aligarh	Mill Quality Loose	1760	1770	-10
Punjab	Khanna	Mill Quality Loose	1725	1700	25
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1800	1790	10
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1870	1850	20
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
Tamil Nadu	Chennai	Mill Quality	2000	1980	20
	Madurai	Mill Quality	2057	2037	20
	Coimbatore	Mill Quality	2057	2037	20
Bihar	Khagariya	Mill Delivery	1925	1900	25
	Muzaffarpur	Mill Delivery	1850	1800	50
FOR	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			18-Jan-21	16-Jan-21	
Gujarat	Rajkot	Lokwan	2000	2000	Unch
M.P.	Indore	Lokwan	2100	2050	50
	Bhopal	Lokwan	2000	2100	-100
	Bina	Sarbati 306	2800	2600	200
Rajasthan	Kota	Lokwan Bilty	2100	2100	Unch
	Baran	Lokwan	NA	NA	-

Wheat Arrivals in Key Centers:

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			18-Jan-21	16-Jan-21	
Delhi	Lawrence Road	Mill Delivery	8000	7000	1000
	Narella	Mill Quality Loose	150	300	-150
	Nazafgarh	Mill Quality Loose	100	150	-50
Gujarat	Rajkot	Mill Quality Loose	1100	600	500
	Dhrol	Mill Quality Loose	NR	NR	-
M.P.	Indore	Mill Quality Loose	3000	4000	-1000
Rajasthan	Kota	Mill Quality	5500	4000	1500
U.P.	Kanpur	Mill Quality Loose	1000	300	700
	Mathura	Mill Quality Loose	500	250	250
	Kosi	Mill Quality Loose	300	700	-400
	Hathras	Mill Quality Loose	60	180	-120
	Aligarh	Mill Quality Loose	600	200	400
Punjab	Khanna	Mill Quality Loose	600	200	400
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
Haryana	Sirsa	Mill Quality Loose	200	200	Unch
	Hodal	Mill Quality Loose	100	150	-50
	Bhiwani	Mill Quality Loose	200	300	-100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	18-Jan-21	16-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: 15.01.2021

Contract Month	Open	High	Low	Close	Change
Mar-21	671.00	693.00	664.50	675.50	+5.50↑
May-21	672.75	693.00	666.25	676.50	+5.50↑
Jul-21	657.00	670.50	649.00	657.75	+2.75↑
Sep-21	657.00	669.50	649.50	657.50	+1.75↑
Dec-21	661.25	673.00	655.00	662.25	+1.75↑
Mar-22	665.25	676.00	660.25	666.50	+2.00↑

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