

### Wheat Domestic Fundamentals:

**Steady tone was witnessed in Wheat physical markets on Wednesday** in India. Wheat prices were steady at Uttar Pradesh, Madhya Pradesh and Punjab. Prices were firm in Delhi at Rs. 1990/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:

**Wheat prices rose in most major exporting countries since last month's WASDE** due to the Russia export tax and stronger prices for corn and soybeans. Australia prices strengthened on stronger demand in Southeast Asia in lieu of less exportable supplies in Russia with its export restraints. The major exporters are currently all quoting prices within a very narrow range.

**Russia has formally approved a higher wheat export tax** starting on March 1, Reuters reported, to counteract a rise in domestic food prices caused by the coronavirus (COVID-19) pandemic. The government approved a €50 (\$61) per tonne wheat export tax starting from March 1 to June 30 compared to the €25-per-tonne tax set for Feb. 15 to March 1. A barley and corn export tax is set at €10 per tonne and €25 per tonne, respectively, from March 15 to June 30.

**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 \$12

Wheat Futures Contract: NCDEX Price							Date: 25.01.2021 at 5:00 PM		
Contract Month	+/-	Open	High	Low	Close	Volume	Ch. From previous day	OI	Ch. From previous day
21-Feb	-	-	-	-	1839				
21-Mar	-	-	-	-	1844				
21-Apr	-	-	-	-	1850				

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 25<sup>th</sup> Jan-2021**

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jan-21	23-Jan-21	
Delhi	Lawrence Road	Mill Delivery	1980	1990	-10
	Narella	Mill Quality Loose	1850	1840	10
	Nazafgarh	Mill Quality Loose	1825	1830	-5
Gujarat	Rajkot	Mill Delivery	1875	1870	5
	Ahmedabad	Mill Delivery	1965	1960	5
	Surat	Mill Delivery	2020	2015	5
	Dhrol	Mill Quality Loose	NR	1835	-
M.P.	Indore	Mill Delivery	1860	1850	10
	Bhopal	Mill Quality Loose	1725	1750	-25
Rajasthan	Kota	Mill Quality Loose	1725	1700	25
		Mill Delivery	1850	1825	25
U.P.	Kanpur	Mill Delivery	1700	1725	-25
	Mathura	Mill Quality Loose	1750	1700	50
	Kosi	Mill Quality Loose	1640	1650	-10
	Hathras	Mill Quality Loose	1780	1725	55
	Aligarh	Mill Quality Loose	1800	1780	20
Punjab	Khanna	Mill Quality Loose	1750	1750	Unch
	Ludhiana (Jagraon)	Mill Delivery	NA	NA	-
Haryana	Sirsa	Mill Delivery loose	1790	1775	15
	Hodal	Mill Delivery	NA	NA	-
	Bhiwani	Mill Quality Loose	1870	1870	Unch
	Karnal	Mill Delivery	NA	NA	-

	Panipat	Mill Quality Loose	NA	NA	-
<b>Tamil Nadu</b>	Chennai	Mill Quality	2050	2050	Unch
	Madurai	Mill Quality	2107	2107	Unch
	Coimbatore	Mill Quality	2107	2107	Unch
<b>Bihar</b>	Khagariya	Mill Delivery	1800	1825	-25
	Muzaffarpur	Mill Delivery	1775	1800	-25
<b>FOR</b>	Kandla (Rajasthan-Rajkot)	Mill Quality	NA	NA	-
	Gandhidham (Rajasthan-Rajkot)	Mill Quality	NA	NA	-

Centre	Market	Variety	Prices (Rs/Qtl)		Change
			25-Jan-21	23-Jan-21	
<b>Gujarat</b>	Rajkot	Lokwan	1950	1950	Unch
<b>M.P.</b>	Indore	Lokwan	2100	2100	Unch
	Bhopal	Lokwan	1950	1950	Unch
	Bina	Sarbati 306	2600	2600	Unch
<b>Rajasthan</b>	Kota	Lokwan Bilty	1950	1950	Unch
	Baran	Lokwan	NA	NA	-

**Wheat Arrivals in Key Centers:**

Centre	Market	Variety	Arrivals (Bags/Qtl)		Change
			25-Jan-21	23-Jan-21	
<b>Delhi</b>	Lawrence Road	Mill Delivery	6000	6000	Unch
	Narella	Mill Quality Loose	250	250	Unch
	Nazafgarh	Mill Quality Loose	60	100	-40
<b>Gujarat</b>	Rajkot	Mill Quality Loose	1500	1400	100
	Dhrol	Mill Quality Loose	NR	124	-
<b>M.P.</b>	Indore	Mill Quality Loose	3500	2000	1500
<b>Rajasthan</b>	Kota	Mill Quality	7000	8000	-1000
<b>U.P.</b>	Kanpur	Mill Quality Loose	900	600	300
	Mathura	Mill Quality Loose	200	300	-100
	Kosi	Mill Quality Loose	500	300	200
	Hathras	Mill Quality Loose	100	150	-50
	Aligarh	Mill Quality Loose	300	500	-200
<b>Punjab</b>	Khanna	Mill Quality Loose	200	400	-200
	(Ludhiana)Jagraon	Mill Quality Loose	NA	NA	-
<b>Haryana</b>	Sirsa	Mill Quality Loose	200	300	-100
	Hodal	Mill Quality Loose	100	100	Unch
	Bhiwani	Mill Quality Loose	400	300	100
	Karnal	Mill Delivery	NA	NA	-
	Panipat	Mill Quality Loose	NA	NA	-

Wheat Products Delhi	25-Jan-21	23-Jan-21	Change
Atta (50kg) Ordinary	1100	1100	Unch
Maida Grade 1 (50KG)	NA	NA	-
Suji (50kg)	1300	1300	Unch
Chokar (50 kg)	NA	NA	-
Chokar (34 kg)	NA	NA	-
Chakki Atta (50kg)	1100	1100	Unch
Chakki Atta (50kg) Special	NA	NA	-
Chakki Atta (90kg) Superfine	NA	NA	-
Chakki Atta (50kg) Superfine	NA	NA	-

**Wheat (CBOT) Future Price: 23.01.2021**

Contract Month	Open	High	Low	Close	Change
<b>Mar-21</b>	658.50	659.00	633.00	634.50	-26.25↓
<b>May-21</b>	660.00	660.25	634.25	636.00	-26.25↓
<b>Jul-21</b>	645.00	645.50	622.00	624.00	-23.75↓
<b>Sep-21</b>	646.00	646.00	623.25	625.00	-23.25↓
<b>Dec-21</b>	651.50	651.50	628.50	630.50	-23.25↓
<b>Mar-22</b>	652.00	654.25	634.50	636.25	-22.25↓

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